12/15/86 S1345-2A

VOL. XIV, NO. 4

FALL, 1986

QUARTERLY REVIEW OF HOUSING PRODUCTION IN DELAWARE

THIRD QUARTER, 1986

QUARTERLY REVIEW

OF

HOUSING PRODUCTION

IN

DELAWARE

THIRD QUARTER, 1986

Judith D. Ventura
Research and Information Section
Division of Housing and
Community Development
Department of Community Affairs
18 The Green
Dover, Delaware 19901

November, 1986

FOREWORD

The decline in multi-family housing starts continues to be a major concern for Delaware. The 1986 Tax Reform Act has caused investors to suspend their interest in multi-family development because of the elimination of many tax incentives and a perception that any remaining or new incentives may also be rescinded in the future.

At the same time, single-family housing for lower income families is becoming increasingly difficult to provide, in spite of the recent fall in interest rates. Sales prices are continuing to climb, both for existing and newly constructed homes, at a more rapid pace than real income.

The Division of Housing and Community Development will be working with developers to encourage multi-family and low-cost single-family construction targeted toward lower income families.

Martha S. Harris

MARTHA S. HARRIS
Director, Division of Housing
and Community Development

TABLE OF CONTENTS

TITLE PAGE..... i

FOREWORD..... ii

TABLE OF CONTENTS..... iii

INTRODUCTION..... 1

THIRD QUARTER, 1986 HOUSING PRODUCTION..... 3
APPENDIX A: GRAPHS OF SINGLE FAMILY HOUSING PRODUCTION..... 19

STATEWIDE..... 21
NEW CASTLE COUNTY..... 21
KENT COUNTY..... 22
SUSSEX COUNTY..... 22

APPENDIX B: AVERAGE BUILDER' COSTS..... 23

STATEWIDE..... 25
NEW CASTLE COUNTY..... 25
KENT COUNTY..... 26
SUSSEX COUNTY..... 26

INTRODUCTION

This report presents housing activity in Delaware for the third quarter 1986. Data included are: number of new housing units authorized by building permit, construction costs, number of mobile homes sold, details on unit composition, rehabilitated housing units and residential demolitions.

Information herein relates only to new housing units intended for occupancy on a housekeeping, rather than business, basis. The figures are actual totals accumulated from authorized building permits recorded by various jurisdictions and compiled by the Division of Housing and Community Development. Excluded from the data are hotels and motels, as well as group residential structures with permanent population. Because it is becoming more difficult to distinguish seasonal housing units constructed with full plumbing, heating and electrical facilities for eventual use as retirement homes from housing units constructed as year-round residences, on-site construction data for Sussex County includes all units begun there. With this addition, however, comparisons to previous quarters cannot be made for at least one year since totals before first quarter 1986 did not include seasonal units.

Although the data relates to permit issuance rather than actual housing starts, permits are prompt, accurate indicators of construction activity. The United States Bureau of Census states that approximately 98-99 percent of all authorized construction is eventually undertaken. For simplification, therefore, permit issuance is expressed as "starts".

Building Permit Jurisdictions

New Castle and Kent Counties' building permit systems cover all unincorporated areas within their respective boundaries plus those incorporated communities without permit systems. Those towns and municipalities having permit laws are counted as separate entities within their counties.

Sussex County issues permits for the entire county, even though many local governments have building permit systems. This report adjusts county data to avoid double-counting.

Milford's data is counted in the county containing the building activity.

Definitions

Housing Units - for this report, a housing unit is a room or group of rooms intended for occupancy as separate year-round living quarters by one or more persons, and includes permanent provisions for living, sleeping, eating, cooking, and sanitation.

In accordance with this definition, each apartment unit in an apartment building is counted as one housing unit. Migratory, seasonal and vacation housing has been omitted.

Single-Family Unit - one-family free-standing homes and townhouses or row houses intended to be sold.

Multi-Family Units - a building occupied by more than one family all sharing a common area of land (i.e. condominiums, apartments and townhouses intended to be rented.)

Substantial Rehabilitation - additions and alterations containing three of the following four elements constitute substantial rehabilitation: electrical, heating, plumbing or structural work.

On-site Construction - housing built at the site it will occupy once completed. For the purposes of this report, manufactured housing is included in this definition. Mobile homes are not on-site construction.

Abbreviations Key

S-F - single-family
M-F - multi-family
M-H - mobile home

THIRD QUARTER, 1986 HOUSING PRODUCTION

STATEWIDE

Delaware's housing industry continues its best production year since 1973 with third quarter 1986 starts totalling 2,133 units. Single-family starts increased 14% and 43% respectively over last quarter and third quarter 1985. Multi-family starts decreased 21% this quarter from second quarter 1986, but increased 298% over third quarter 1985. Mobile homes sales increased 6% this quarter over last, but decreased 7% below third quarter 1985. On-site units built this quarter totalled 1,682, and 451 new mobile homes were titled. Table 1 summarizes the total statewide housing production by housing type and quarter.

TABLE 1: STATEWIDE HOUSING PRODUCTION

STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	1986 2nd Qtr	3rd Qtr	Year To Date
S-F	917	834	3,260	894	1,150	1,311	3,355
M-F	93	725	1,175	109	471	371	951
Total	1,010	1,559	4,435	1,003	1,621	1,682	4,306
M-H	486	400	1,558	322	425	451	1,198
TOTAL	1,496	1,959	5,993	1,325	2,046	2,133	5,504

The following points are of interest:

- Single-family housing construction increased 17% and 23% respectively in New Castle and Sussex Counties this quarter compared to last, while Kent County decreased 16%. However, 55% of new mobile homes titled this quarter are in Kent County, which continues to be the primary location for mobile home growth. This suggests that mobile homes are an increasingly popular alternative to the traditional stick-built home in Kent County.

- Sixty-three percent of the new multi-family unit starts are in New Castle County, a 16% increase over last quarter. Kent and Sussex Counties declined 26% and 72% respectively this quarter.

- Of the 1,311 single-family units begun during third quarter 1986, 60 were identified as manufactured homes. New Castle County recorded 27, Kent County 14 and Sussex County 19. Nanticoke Homes of Greenwood continues to manufacture the majority.

COUNTY ON-SITE CONSTRUCTION

New Castle County

Total on-site activity in New Castle County (1,100) increased 17% this quarter from last, and is up 57% over third quarter 1985.

- Single-family on-site construction increased 17% over last quarter, and 35% over third quarter 1985. Construction continues in various subdivisions scattered around the county but is particularly concentrated in the Christiana-Glasgow corridor south of the Wilmington-Newark metropolitan area. More than a dozen new single-family home developments are under construction there.

- Multi-family starts totalled 256 units, a 16% and 241% increase respectively from last quarter and third quarter 1985. Towne Estates, a new 156-unit condominium development located in Wilmington on Broom and Chestnut Streets, accounted for most of the activity. First phase construction began on Chadwick Apartments, a 116-unit complex located on Wilmington's lower East side bound by Second, Fourth, Walnut and Lombard streets. Construction continues on the Birch Pointe condominium community in Pike Creek Valley.

The following table provides detail of New Castle County data by quarter since third quarter 1985.

NEW CASTLE COUNTY

TABLE 2: ON-SITE PERMITS ISSUED AND MOBILE HOME SALES

LOCATION	STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
Bellefonte	S-F	0	0	0	1	0	0	1
	M-F	0	0	0	0	0	0	0
Elsmere	S-F	3	0	3	0	1	0	1
	M-F	0	0	0	0	0	0	0
New Castle	S-F	7	2	13	1	3	0	4
	M-F	0	0	10	0	6	0	6
Newark	S-F	34	8	58	18	17	20	55
	M-F	0	0	10	0	6	0	6
Newport	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Odessa	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Wilmington	S-F	15	1	39	6	38	27	71
	M-F	0	18	80	4	12	168	184
Unincorporated Areas	S-F	567	580	1,863	485	661	797	1,943
	M-F	75	212	368	66	196	88	350
New Castle Co. Total On-Site Activity	S-F	626	591	1,976	511	720	844	2,075
	M-F	75	230	468	70	220	256	546
		701	821	2,444	581	940	1,100	2,621
County Mobile Home Sale		15	30	59	15	29	23	67
TOTAL COUNTY PRODUCTION		716	851	2,503	596	969	1,123	2,688

Kent County

On-site housng construction in Kent County, as summarized in Table 3, totalled 207 units this quarter, a 19% decrease from last quarter, but a 97% increase over third quarter 1985.

- Single-family construction totalled 135 units, down 16% from last quarter, but up 19% over third quarter 1985. Activity in unincorporated areas of the county, particularly south of Dover to Milford, accounted for most of the production. Building continues at the new housing subdivisions in northwestern Dover.

- Multi-family construction totalled 72 units, down 28% from last quarter. Continued construction at Woodmill Apartments in Dover accounted for most of the production. No multi-family housing activity occurred in Kent County during third quarter 1985.

KENT COUNTY

TABLE 3: ON-SITE PERMITS ISSUED AND MOBILE HOME SALES

LOCATION	STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
Camden	S-F	11	0	12	0	0	1	1
	M-F	0	0	0	0	0	0	0
Dover	S-F	26	10	111	30	48	32	110
	M-F	0	60	60	0	60	72	132
Harrington	S-F	2	1	5	1	4	2	7
	M-F	0	0	0	0	34	0	34
Milford (K)	S-F	3	1	5	2	3	1	6
	M-F	0	0	0	0	3	0	3
Smyrna	S-F	2	7	23	7	7	7	21
	M-F	0	2	12	0	0	0	0
Unincorporated Areas	S-F	61	68	274	61	98	92	251
	M-F	0	8	8	0	0	0	0
Kent County Total On-Site Activity	S-F	105	87	430	101	160	135	396
	M-F	0	70	80	0	97	72	169
	Total	105	157	510	101	257	207	565
County Mobile Home Sales		289	224	984	205	270	248	723
TOTAL COUNTY PRODUCTION		394	381	1,494	306	527	455	1,288

Sussex County

Single- and multi-family on-site housing starts in Sussex County totalled 375 units this quarter, 12% less than last quarter but 84% more than third quarter 1985.

- Single-family starts totalled 332 units, 23% more than last quarter and 78% above third quarter 1985. Most single-family construction continues outside town/city limits along the shore due to construction moratoria.

- Multi-family starts totalled 43 units this quarter, a 72% drop from last quarter but 139% more than third quarter 1985. Condominiums built at scattered sites outside incorporated town/city limits along the shore accounted for most of the activity.

See Table 4 for additional details.

SUSSEX COUNTY

TABLE 4: ON-SITE PERMITS ISSUED AND MOBILE HOME SALES

LOCATION	STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
Bethany	S-F	5	46	92	24	18	13	55
	M-F	0	0	0	0	8	6	14
Bethel	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Blades	S-F	2	2	9	4	3	1	8
	M-F	0	0	0	0	0	0	0
Bridgeville	S-F	1	0	1	1	0	1	2
	M-F	0	0	0	0	0	0	0
Dagsboro	S-F	0	0	0	1	1	1	3
	M-F	0	0	0	0	0	0	0
Delmar	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Dewey Beach	S-F	5	0	5	0	0	0	0
	M-F	0	10	19	0	0	0	0
Fenwick Island	S-F	0	0	1	0	0	0	0
	M-F	0	0	0	0	0	0	0
Georgetown	S-F	3	1	23	2	3	2	7
	M-F	0	0	0	4	0	0	4
Greenwood	S-F	0	0	2	0	0	0	0
	M-F	0	0	0	0	0	0	0
Henlopen Acres	S-F	0	0	0	0	0	1	1
	M-F	0	0	0	0	0	0	0
Laurel	S-F	0	0	2	0	0	0	0
	M-F	0	0	0	0	0	0	0
Lewes	S-F	3	2	15	4	10	8	22
	M-F	0	2	2	16	0	0	16
Milford (S)	S-F	0	2	8	2	0	2	4
	M-F	6	4	10	6	6	0	12
Millsboro	S-F	0	0	2	4	8	37	49
	M-F	0	32	32	0	4	0	4
Milton	S-F	1	0	3	3	1	5	9
	M-F	0	0	0	0	0	0	0
Ocean View	S-F	3	7	21	3	1	2	6
	M-F	0	0	0	0	0	0	0
Rehoboth	S-F	0	5	7	0	0	0	0
	M-F	0	0	17	3	3	0	6
Seaford	S-F	2	3	8	5	5	4	14
	M-F	0	0	0	0	0	8	8
Selbyville	S-F	0	1	4	0	1	0	1
	M-F	4	0	4	0	0	0	0
Slaughter Beach	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
South Bethany	S-F	6	5	38	11	8	7	26
	M-F	0	0	0	0	0	0	0
Unincorporated Areas	S-F	155	82	613	218	211	248	677
	M-F	8	377	543	10	133	29	172
Sussex County Total On-Site Activity	S-F	186	156	854	282	270	332	884
	M-F	18	425	627	39	154	43	236
	Total	204	581	1,481	321	424	375	1,120
County Mobile Homes Sales		182	146	515	102	126	180	408
TOTAL COUNTY PRODUCTION		386	727	1,996	423	550	555	1,528

MOBILE HOME ACTIVITY

Table 5 summarizes data from the State's Division of Motor Vehicles on new mobile homes titled during third quarter 1986. As has been true for the past three years, most of this quarter's mobile homes were registered in Kent County. This continues to account for more than half of total housing production there. Sales in Kent and New Castle Counties decreased this quarter but Sussex County experienced a 43% increase.

TABLE 5

Mobile Home Activity

				Percent increase/(decrease)		
	3rd Qtr 86	2nd Qtr 86	3rd Qtr 85	3rd Qtr 86 to Qtr 86	2nd Qtr 86 to Qtr 85	3rd Qtr 86 to Qtr 85
New Castle Co.	23	29	15	(21%)		53%
Kent Co.	248	270	289	(8%)		(14%)
Sussex Co.	180	126	182	43%		(1%)
Statewide Total	451	425	486	6%		(7%)

CONSTRUCTION COSTS

Reported from building permits; costs of land, architectural services, engineering, financing and other professional fees are not included.

Total Costs

The 1,682 units of on-site housing construction started this quarter generated a total permit value construction cost of $69,959,818, almost a $3 million increase over the $67,231,013 recorded last quarter for 1,621 new housing units. Statewide, 1,311 single-family units total amounted to $61,442,358 while the 371 multi-family units total $8,517,460.

Compared to housing construction dollars generated one year ago, this quarter's total on-site costs are 77% more than the $39,489,225 recorded for third quarter 1985. Total statewide construction costs by quarters are shown in Table 6. Total construction costs by town, county and unit types by quarters are shown in Tables 7, 8 and 9.

TABLE 6: STATEWIDE TOTAL ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
S-F	37,035,538	36,183,556	146,654,473	40,985,592	53,936,913	61,442,358	156,364,863
M-F	2,453,667	20,370,667	40,898,937	3,184,000	13,294,100	8,517,460	24,995,560
TOTAL	39,489,225	56,554,223	187,553,410	44,169,592	67,231,013	69,959,818	181,360,423

NEW CASTLE COUNTY

TABLE 7: TOTAL ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
Bellefonte	S-F	0	0	0	47,000	0	0	47,000
	M-F	0	0	0	0	0	0	0
Elsmere	S-F	85,000	0	85,000	0	25,000	0	25,000
	M-F	0	0	0	0	0	0	0
New Castle	S-F	250,000	117,000	587,000	40,320	159,840	0	200,160
	M-F	0	0	375,000	0	265,000	0	265,000
Newark	S-F	1,016,000	499,223	2,227,724	640,000	588,000	1,204,727	2,432,727
	M-F	0	0	293,000	0	120,000	0	120,000
Newport	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Odessa	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Wilmington	S-F	514,000	130,000	1,850,000	380,200	1,810,000	1,595,000	3,785,200
	M-F	0	980,000	3,794,000	90,000	270,000	4,345,128	4,705,128
Unincorporated Areas	S-F	21,257,618	22,107,625	67,125,379	18,325,146	25,918,171	31,949,701	76,193,018
	M-F	1,492,667	4,743,667	9,545,884	1,064,000	4,805,000	1,743,880	7,612,880
New Castle Co. TOTAL	S-F	23,122,618	22,853,848	71,875,103	19,432,666	28,501,011	34,749,428	82,683,105
	M-F	1,492,667	5,723,667	14,007,884	1,154,000	5,460,000	6,089,008	12,703,008
	Total	24,615,285	28,577,515	85,882,987	20,586,666	33,961,011	40,838,436	95,386,113

KENT COUNTY

TABLE 8: TOTAL ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
Camden	S-F	374,000	0	410,000	0	0	60,000	60,000
	M-F	0	0	0	0	0	0	0
Dover	S-F	1,149,000	524,000	4,268,200	1,254,745	1,842,813	1,642,000	4,739,558
	M-F	0	1,126,000	1,126,000	0	1,126,000	1,348,000	2,474,000
Harrington	S-F	62,000	25,000	146,500	52,000	113,275	64,000	229,275
	M-F	0	0	0	0	1,031,680	0	1,031,680
Milford (K)	S-F	162,000	36,000	234,000	88,500	139,000	36,500	264,000
	M-F	0	0	0	0	290,000	0	290,000
Smyrna	S-F	70,520	268,220	959,895	535,861	506,600	242,400	1,284,861
	M-F	0	45,000	220,000	0	0	0	0
Unincorporated Areas	S-F	3,213,828	3,643,533	14,518,404	3,431,959	6,329,052	5,129,130	14,890,141
	M-F	0	180,000	180,000	0	0	0	0
Kent County TOTAL	S-F	5,031,348	4,496,753	20,537,499	5,363,065	8,960,740	7,174,030	21,497,835
	M-F	0	1,351,000	1,526,000	0	2,447,680	1,348,000	3,795,680
	TOTAL	5,031,348	5,847,753	22,063,499	5,363,065	11,408,420	8,522,030	25,293,515

SUSSEX COUNTY

TABLE 9: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
Bethany	S-F	415,220	2,786,095	5,756,703	1,411,772	1,179,546	780,353	3,371,671
	M-F	0	0	0	0	600,000	450,000	1,050,000
Bethel	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Blades	S-F	64,000	79,160	292,160	134,900	106,342	28,400	269,642
	M-F	0	0	0	0	0	0	0
Bridgeville	S-F	60,000	0	60,000	60,000	0	51,000	111,000
	M-F	0	0	0	0	0	0	0
Dagsboro	S-F	0	0	0	89,000	50,000	36,000	175,000
	M-F	0	0	0	0	0	0	0
Delmar	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Dewey Beach	S-F	400,000	0	400,000	0	0	0	0
	M-F	0	697,000	1,597,000	0	0	0	0
Fenwick Island	S-F	0	0	80,000	0	0	0	0
	M-F	0	0	0	0	0	0	0
Georgetown	S-F	146,000	42,000	730,000	89,080	163,965	124,858	377,903
	M-F	0	0	0	154,000	0	0	154,000
Greenwood	S-F	0	0	50,000	0	0	0	0
	M-F	0	0	0	0	0	0	0
Henlopen Acres	S-F	0	0	0	0	0	250,000	250,000
	M-F	0	0	0	0	0	0	0
Laurel	S-F	0	0	73,000	0	0	0	0
	M-F	0	0	0	0	0	0	0
Lewes	S-F	181,400	401,772	1,126,937	361,000	858,505	521,940	1,741,445
	M-F	0	67,000	67,000	640,000	0	0	640,000
Milford (S)	S-F	0	72,100	407,250	235,000	0	71,500	306,500
	M-F	135,000	84,000	219,000	149,000	136,000	0	285,000
Millsboro	S-F	0	0	76,000	182,000	316,376	1,591,000	2,089,376
	M-F	0	800,000	800,000	0	360,000	0	360,000
Milton	S-F	49,000	0	141,000	119,000	78,000	163,400	360,400
	M-F	0	0	0	0	0	0	0
Ocean View	S-F	158,900	463,000	1,173,900	131,000	75,000	101,090	307,090
	M-F	0	0	0	0	0	0	0
Rehoboth	S-F	0	306,000	429,000	0	0	0	0
	M-F	0	0	1,600,000	250,000	250,000	0	500,000
Seaford	S-F	76,875	140,000	451,875	201,700	294,500	217,900	714,100
	M-F	0	0	0	0	0	254,592	254,592
Selbyville	S-F	0	39,000	0	0	42,000	0	42,000
	M-F	30,000	0	30,000	0	0	0	0
Slaughter Beach	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
South Bethany	S-F	376,268	343,000	2,851,512	932,180	540,163	524,000	1,996,343
	M-F	0	0	0	0	0	0	0
Unincorporated Areas	S-F	6,953,929	4,160,828	39,931,534	12,242,729	12,770,765	15,057,459	40,070,953
	M-F	796,000	11,648,000	21,052,053	837,000	4,040,420	375,860	5,253,280
Sussex County TOTAL	S-F	8,881,592	8,832,955	54,241,871	16,189,861	16,475,162	19,518,900	52,183,923
	M-F	961,000	13,296,000	25,365,053	2,030,000	5,386,420	1,080,452	8,496,872
	TOTAL	9,842,592	22,128,955	79,606,924	18,219,861	21,861,582	20,599,352	60,680,795

Average Costs

Average housing construction costs are reported for trend purposes only and are not true cost indicators.

Statewide average housing construction costs this quarter for both single- and multi-family on-site units increased 0.3% to $41,593 from last quarter and rose 6% above average unit costs recorded one year ago this time. The average construction cost for a single-family unit this quarter is $46,867, less than 1% less than costs per unit last quarter, but 16% higher per unit than third quarter 1985. The statewide per-unit construction cost of a multi-family apartment this quarter is $22,958, down 19% below costs reported last quarter, and 13% less than costs reported in the third quarter 1985.

TABLE 10: STATEWIDE AVERAGE ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
S-F	40,388	43,385	44,986	45,845	46,902	46,867	46,606
M-F	26,384	28,098	34,808	29,211	28,225	22,958	26,283
ALL UNITS	39,098	36,276	42,289	44,037	41,475	41,593	42,118

Average on-site construction costs decreased 7% and 19% respectively in Kent and Sussex Counties this quarter compared to last, but increased 3% in New Castle County. New single-family average construction costs were again lowest in New Castle County this quarter at $41,172, 4% above costs last quarter, and 11% above comparable costs one year ago this quarter.

The highest cost per single-family unit this quarter is $58,792 in Sussex County, down 4% from last quarter but 23% more than third quarter 1985. The average cost for a new single-family home in Kent County decreased to $53,141, 5% less than last quarter, but 11% more than per-unit costs reported for third quarter 1985.

Quarterly average construction costs by housing unit type, town and county are shown in Tables 11, 12 and 13.

NEW CASTLE COUNTY

TABLE 11: AVERAGE ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 3rd Qtr	4th Qtr	1985 Total	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
Bellefonte	S-F	0	0	0	47,000	0	0	47,000
	M-F	0	0	0	0	0	0	0
Elsmere	S-F	28,333	0	28,333	0	25,000	0	25,000
	M-F	0	0	0	0	0	0	0
New Castle	S-F	35,714	58,500	45,154	40,320	53,280	0	50,040
	M-F	0	0	37,500	0	44,167	0	44,167
Newark	S-F	29,882	62,403	38,409	35,555	34,588	60,236	44,231
	M-F	0	0	29,300	0	20,000	0	20,000
Newport	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Odessa	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Wilmington	S-F	34,267	130,000	47,436	63,367	47,632	59,074	53,313
	M-F	0	54,444	47,425	22,500	22,500	25,864	25,571
Unincorporated Areas	S-F	37,491	38,117	36,031	37,784	39,211	40,087	39,214
	M-F	19,902	22,376	25,940	16,121	24,515	19,817	21,751
New Castle Co. TOTAL	S-F	36,937	38,670	36,374	38,029	39,585	41,172	39,847
	M-F	19,902	24,886	29,931	16,486	24,818	23,785	23,264
	ALL UNITS	35,115	34,808	35,140	35,433	36,129	37,126	36,393

KENT COUNTY

TABLE 12: AVERAGE ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
Camden	S-F	34,000	0	34,167	0	0	60,000	60,000
	M-F	0	0	0	0	0	0	0
Dover	S-F	44,192	52,400	38,452	41,825	39,017	51,313	43,086
	M-F	0	18,767	18,767	0	18,767	18,722	18,742
Harrington	S-F	31,000	25,000	29,300	52,000	28,319	32,000	32,754
	M-F	0	0	0	0	30,343	0	30,344
Milford (K)	S-F	54,000	36,000	46,900	44,250	46,333	36,500	44,000
	M-F	0	0	0	0	96,667	0	96,667
Smyrna	S-F	35,260	38,317	41,734	76,552	72,371	34,629	61,184
	M-F	0	22,500	18,333	0	0	0	0
Unincorporated Areas	S-F	52,686	53,581	52,987	56,262	64,582	55,751	59,323
	M-F	0	22,500	22,500	0	0	0	0
Kent County TOTAL	S-F	47,918	51,687	47,762	53,100	56,005	53,141	54,287
	M-F	0	19,300	19,075	0	25,234	18,722	22,460
	ALL UNITS	47,918	37,247	14,768	53,100	44,391	41,169	44,767

SUSSEX COUNTY
TABLE 13: AVERAGE ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 3rd Qtr	4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	Year To Date
Bethany	S-F	83,044	60,567	62,573	58,824	65,530	60,027	61,303
	M-F	0	0	0	0	75,000	75,000	75,000
Bethel	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Blades	S-F	32,000	39,580	32,462	33,650	35,447	28,400	33,705
	M-F	0	0	0	0	0	0	0
Bridgeville	S-F	60,000	0	60,000	60,000	0	51,000	55,500
	M-F	0	0	0	0	0	0	0
Dagsboro	S-F	0	0	0	89,000	50,000	36,000	58,333
	M-F	0	0	0	0	0	0	0
Delmar	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Dewey Beach	S-F	80,000	0	80,000	0	0	0	0
	M-F	0	69,700	84,053	0	0	0	0
Fenwick Island	S-F	0	0	80,000	0	0	0	0
	M-F	0	0	0	0	0	0	0
Georgetown	S-F	48,667	42,000	31,739	44,540	54,655	62,429	53,986
	M-F	0	0	0	38,500	0	0	38,500
Greenwood	S-F	0	0	25,000	0	0	0	0
	M-F	0	0	0	0	0	0	0
Henlopen Acres	S-F	0	0	0	0	0	250,000	250,000
	M-F	0	0	0	0	0	0	0
Laurel	S-F	0	0	36,500	0	0	0	0
	M-F	0	0	0	0	0	0	0
Lewes	S-F	60,467	200,886	75,129	90,250	85,851	65,242	79,157
	M-F	0	33,500	33,500	40,000	0	0	40,000
Milford (S)	S-F	0	36,050	50,906	117,500	0	35,750	76,625
	M-F	22,500	21,000	21,900	24,833	22,667	0	23,750
Millsboro	S-F	0	0	38,000	45,700	39,547	43,000	42,640
	M-F	0	25,000	25,000	0	90,000	0	90,000
Milton	S-F	49,000	0	47,000	39,667	78,000	32,680	40,044
	M-F	0	0	0	0	0	0	0
Ocean View	S-F	52,967	66,143	55,900	43,667	75,000	50,545	51,182
	M-F	0	0	0	0	0	0	0
Rehoboth	S-F	0	61,200	61,286	0	0	0	0
	M-F	0	0	94,118	83,333	83,333	0	83,333
Seaford	S-F	38,438	46,667	56,484	40,340	58,900	54,475	51,007
	M-F	0	0	0	0	0	61,824	31,824
Selbyville	S-F	0	39,000	47,750	0	42,000	0	42,000
	M-F	7,500	0	7,500	0	0	0	0
Slaughter Beach	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
South Bethany	S-F	62,711	68,660	75,040	84,744	67,520	74,857	76,782
	M-F	0	0	0	0	0	0	0
Unincorporated Areas	S-F	44,864	50,742	65,141	56,159	60,525	60,716	59,189
	M-F	99,500	30,897	38,770	83,700	30,379	12,961	30,542
Sussex County TOTAL	S-F	47,750	56,621	63,515	57,411	61,019	58,792	59,032
	M-F	53,389	31,285	40,454	52,051	34,977	25,127	36,004
	ALL UNITS	48,248	38,088	53,752	56,760	68,105	54,932	54,179

UNIT PROFILE

According to the statistics below, the most popular new housing unit begun during July, August, and September, 1986 is a three bedroom single-family unit containing over 1,500 square feet of living space and heated by an electric heat pump.

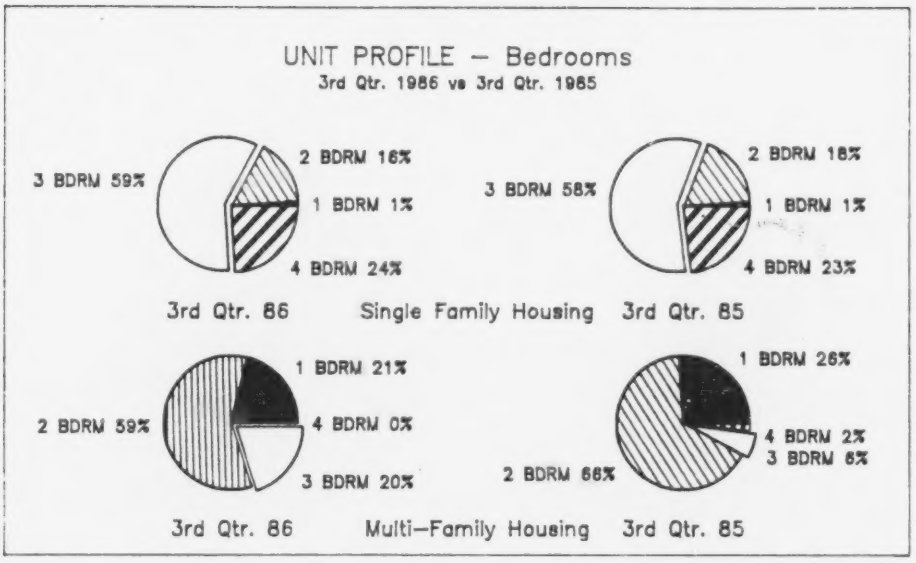
Bedrooms

Of the 1,682 on-site new housing units, 46% were three-bedroom single-family units, down 3% from second quarter 1986. The four-bedroom single-family home demand increased to 18%, up 3% from last quarter. The two-bedroom multi-family unit represented 13% of total activity this quarter, down 4% from last quarter. Table 14 shows bedroom mix breakdowns per unit type by communities and counties for this quarter compared to third quarter 1985. Figure 1 shows bedroom percentages by unit type.

TABLE 14: NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCATION	3RD QUARTER 1985								3RD QUARTER 1986							
	1 BR		2 BR		3 BR		4 BR		1 BR		2 BR		3 BR		4 BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
NEW CASTLE																
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elsmere	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0
New Castle	1	0	2	0	4	0	0	0	0	0	0	0	0	0	0	0
Newark	0	0	5	0	27	0	2	0	0	3	2	0	10	0	0	0
Newport	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Odessa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wilmington	0	0	0	0	15	0	0	0	0	28	15	86	12	54	0	0
Unincorporated Areas	1	18	94	57	274	0	198	0	7	26	103	60	431	2	256	0
COUNTY TOTAL	2	18	104	57	320	0	200	0	7	54	120	146	453	56	264	0
KENT																
Camden	0	0	11	0	0	0	0	0	0	0	0	0	0	0	1	0
Dover	0	0	0	0	26	0	0	0	0	24	1	30	28	18	3	0
Harrington	0	0	2	0	0	0	0	0	0	0	0	0	2	0	0	0
Milford (K)	0	0	0	0	3	0	0	0	0	0	0	0	1	0	0	0
Smyrna	0	0	0	0	2	0	0	0	0	0	0	0	7	0	0	0
Unincorporated Areas	1	0	7	0	48	0	5	0	1	0	11	0	72	0	8	0
COUNTY TOTAL	1	0	20	0	79	0	5	0	1	24	12	30	110	18	12	0
SUSSEX																
Bethany	0	0	0	0	4	0	1	0	0	0	0	1	12	2	1	0
Bethel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Blades	0	0	0	0	2	0	0	0	0	0	0	0	1	0	0	0
Bridgeville	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0
Dagsboro	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Delmar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dewey Beach	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0
Fenwick Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Georgetown	0	0	3	0	0	0	0	0	0	0	0	0	2	0	0	0
Greenwood	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Henlopen Acres	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Laurel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lewes	0	0	0	0	3	0	0	0	0	0	0	0	8	0	0	0
Milford (S)	0	6	0	0	0	0	0	0	0	0	0	0	2	0	0	0
Millsboro	0	0	0	0	0	0	0	0	0	0	33	0	4	0	0	0
Milton	0	0	0	0	1	0	2	0	1	0	2	0	2	0	0	0
Ocean View	0	0	1	0	2	0	0	0	0	0	0	0	3	0	0	0
Rehoboth	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Seaford	0	0	0	0	2	0	0	0	0	0	0	8	4	0	0	0
Selbyville	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0
Slaughter Beach	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Bethany	0	0	0	0	5	0	1	0	0	0	0	0	7	0	0	0
Unincorporated Areas	4	0	39	0	105	6	7	2	5	0	51	32	158	0	33	0
COUNTY TOTAL	4	6	43	4	130	6	9	2	6	0	86	41	205	2	35	0
TOTAL	7	24	167	61	529	6	214	2	14	78	218	217	768	76	311	0

FIGURE 1



Living Space

Statewide, the larger units (over 1,500 square feet) took the lead in per unit living space preference with 47% of the 1,682 on-site new units. Most (73%) of these units are in New Castle County. Mid-sized new housing units (between 1,000 and 1,500 square feet) represented 42% of statewide starts and were preferred in Kent and Sussex Counties. The small units (less than 1,000 square feet) accounted for 11% of the total units statewide. More details are available in Table 15.

FIGURE 2

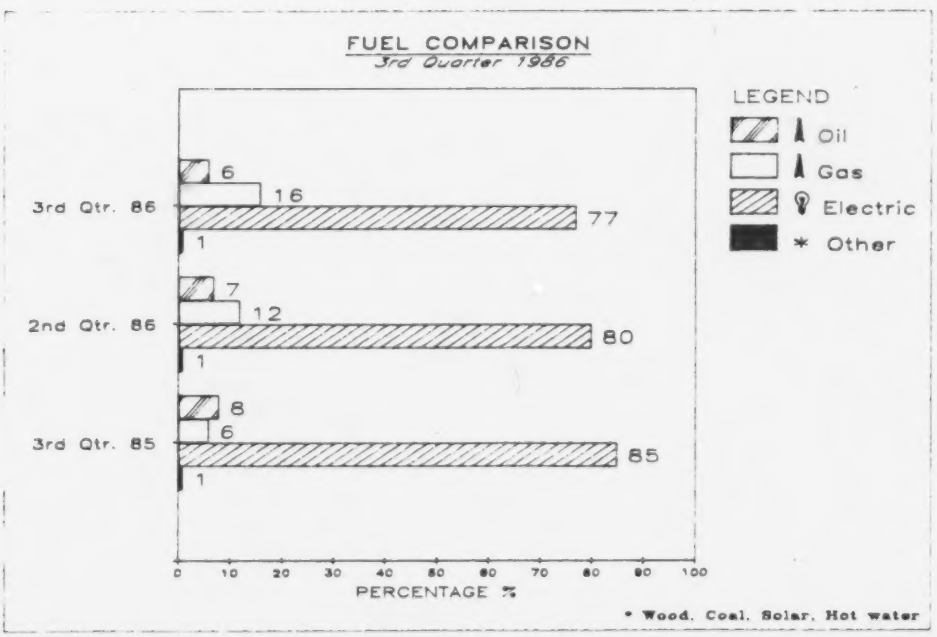


TABLE 15: NUMBER OF UNITS BY SQUARE FEET PER UNIT

LOCATION	1985 3RD QUARTER under 1000	1000-1500	over 1500	1986 3RD QUARTER under 1000	1000-1500	over 1500
NEW CASTLE						
Bellefonte	0	0	0	0	0	0
Elsmere	0	3	0	0	0	0
New Castle	3	11	3	0	0	0
Newark	7	25	2	1	10	9
Newport	0	0	0	0	0	0
Odessa	0	0	0	0	0	0
Wilmington	0	11	4	28	152	15
Unincorporated Areas	65	182	395	70	261	554
COUNTY TOTAL	75	222	404	99	423	578
KENT						
Camden	0	11	0	0	1	0
Dover	13	1	12	36	36	32
Harrington	0	2	0	0	2	0
Milford (K)	0	2	1	0	1	0
Smyrna	0	2	0	0	6	1
Unincorporated Areas	6	32	23	6	57	29
COUNTY TOTAL	19	50	36	42	103	62
SUSSEX						
Bethany	0	4	1	0	11	8
Bethel	0	0	0	0	0	0
Blades	0	2	0	0	1	0
Bridgeville	0	1	0	0	1	0
Dagsboro	0	0	0	1	0	0
Delmar	0	0	0	0	0	0
Dewey Beach	5	0	0	0	0	0
Fenwick Island	0	0	0	0	0	0
Georgetown	0	3	0	0	1	1
Greenwood	0	0	0	0	0	0
Henlopen Acres	0	0	0	0	0	1
Laurel	0	0	0	0	0	0
Lewes	0	3	0	0	6	2
Milford (S)	6	0	0	0	2	0
Millsboro	0	0	0	4	33	0
Milton	0	1	0	1	2	2
Ocean View	0	2	1	0	2	0
Rehoboth	0	0	0	0	0	0
Seaford	0	2	0	4	8	0
Selbyville	0	4	0	0	0	0
Slaughter Beach	0	0	0	0	0	0
South Bethany	0	2	4	0	7	0
Unincorporated Areas	33	75	55	29	110	138
COUNTY TOTAL	44	99	61	39	184	152
TOTAL	138	371	501	180	710	792

Heating Fuel

Electric heat (primarily via a heat pump) continues to be the most favored heat source in Delaware this quarter with 77% of the 1,682 on-site new units, a 3% decrease below last quarter, and 8% below third quarter 1985. Electric heat is the dominant heat source in all three counties. The distribution of heating sources for on-site residential construction this quarter, compared to last quarter and the third quarter 1985 is shown in Figure 2. More details are available in Table 16.

TABLE 16: HEATING FUEL IN HOUSING UNITS

NUMBER OF NEW UNITS WITH SPECIFIED FUEL

LOCATION	1985 3RD QUARTER				1986 3RD QUARTER			
	Oil	Gas	Elec.	Other	Oil	Gas	Elec.	Other
NEW CASTLE								
Bellefonte	0	0	0	0	0	0	0	0
Elsmere	0	0	3	0	0	0	0	0
New Castle	0	7	0	0	0	0	0	0
Newark	1	0	33	0	0	12	8	0
Newport	0	0	0	0	0	0	0	0
Odessa	0	0	0	0	0	0	0	0
Wilmington	0	5	10	0	0	1	194	0
Unincorporated Areas	26	20	596	0	28	137	718	2
COUNTY TOTAL	27	32	642	0	28	150	920	2
KENT								
Camden	0	0	11	0	0	0	1	0
Dover	1	21	4	0	0	100	4	0
Harrington	0	0	2	0	1	0	1	0
Milford (K)	0	0	3	0	0	0	1	0
Smyrna	0	1	1	0	0	0	7	0
Unincorporated Areas	10	0	47	4	13	7	67	5
COUNTY TOTAL	11	22	68	4	14	107	81	5
SUSSEX								
Bethany	0	0	5	0	0	0	19	0
Bethel	0	0	0	0	0	0	0	0
Blades	0	0	2	0	0	0	1	0
Bridgeville	0	0	1	0	0	0	1	0
Dagsboro	0	0	0	0	0	0	1	0
Delmar	0	0	0	0	0	0	0	0
Dewey Beach	0	0	5	0	0	0	0	0
Fenwick Island	0	0	0	0	0	0	0	0
Georgetown	1	0	2	0	0	0	2	0
Greenwood	0	0	0	0	0	0	0	0
Henlopen Acres	0	0	0	0	0	0	1	0
Laurel	0	0	0	0	0	0	0	0
Lewes	1	0	3	0	0	0	8	0
Milford (S)	0	0	6	0	0	0	2	0
Millsboro	0	0	0	0	0	0	37	0
Milton	0	0	1	0	0	0	5	0
Ocean View	0	0	3	0	0	0	2	0
Rehoboth	0	0	0	0	0	0	0	0
Seaford	0	0	2	0	0	0	12	0
Selbyville	0	0	4	0	0	0	0	0
Slaughter Beach	0	0	0	0	0	0	0	0
South Bethany	0	0	6	0	0	0	7	0
Unincorporated Areas	41	11	109	2	59	13	203	2
COUNTY TOTAL	42	11	149	2	59	13	301	2
TOTAL	80	65	859	6	101	270	1,302	9

REHABILITATED AND DEMOLISHED HOUSING

Home modifications or improvements for which permits have been issued range from adding a bathroom, bedroom or family room to substantial rehabilitation of a fire-damaged unit. Alterations and additions to existing housing units in Delaware this quarter totalled 478 at a total cost of $8,834,537, averaging $18,482 per unit.

Housing renovation work this quarter increased 42% from last quarter, and is 32% more than one year ago. The average unit cost this quarter increased 1% per home over the previous quarter, but is down 7% versus a year ago. The majority of home improvements continue to occur in Wilmington. They included rowhouse renovations at scattered sites throughout the city by the Wilmington Housing Authority and improvements to 22 units at West 9th Street by the Shipley Historic Association. West of Wilmington at Duncan and Greenbank roads, Vari Builders began rehabilitation of the 96-unit Cranston Court Apartments. Table 17 shows housing renovation cost and units this quarter compared to third quarter 1985. Table 18 shows residential demolitions this quarter compared to third quarter 1985.

TABLE 17: REHABILITATION HOUSING (UNITS AND COST IN THOUSANDS)

LOCATION	1985 3RD QTR. UNITS	COST	1986 3RD QTR. UNITS	COST
NEW CASTLE				
Bellefonte	0	0	0	0
Elsmere	6	31	2	10
New Castle	1	10	2	48
Newark	7	96	22	409
Newport	0	0	1	6
Odessa	0	0	0	0
Wilmington	203	4,562	141	2,384
Unincorporated Areas	64	1,056	184	4,007
COUNTY TOTAL	281	5,755	352	6,865
KENT				
Camden	0	0	0	0
Dover	8	189	5	122
Harrington	1	6	0	0
Milford (K)	2	60	3	22
Smyrna	0	0	0	0
Unincorporated Areas	20	301	30	426
COUNTY TOTAL	31	557	38	570
SUSSEX				
Bethany	11	101	0	0
Bethel	0	0	0	0
Blades	0	0	0	0
Bridgeville	0	0	0	0
Dagsboro	0	0	0	0
Delmar	1	15	2	59
Dewey Beach	0	0	0	0
Fenwick Island	0	0	0	0
Georgetown	7	82	0	0
Greenwood	0	0	0	0
Henlopen Acres	0	0	0	0
Laurel	0	0	0	0
Lewes	7	227	15	677
Milford (s)	0	0	5	40
Millsboro	6	514	8	317
Milton	0	0	0	0
Ocean View	0	0	0	0
Rehoboth	0	0	0	0
Seaford	3	20	4	62
Selbyville	0	0	0	0
Slaughter Beach	0	0	0	0
South Bethany	4	45	0	0
Unincorporated Areas	12	82	54	244
COUNTY TOTAL	51	923	88	1,400
STATEWIDE	363	7,235	478	8,835

TABLE 18: RESIDENTIAL UNITS DEMOLISHED

LOCATION	NUMBER OF UNITS DEMOLISHED 1985 3rd Qtr	1986 3rd Qtr
NEW CASTLE		
Bellefonte	0	0
Elsmere	1	0
New Castle	1	0
Newark	2	2
Newport	0	0
Odessa	0	0
Wilmington	13	7
Unincorporated Areas	6	6
COUNTY TOTAL	23	15
KENT		
Camden	0	0
Dover	0	0
Harrington	1	0
Milford (K)	0	0
Smyrna	0	6
Unincorporated Areas	6	14
COUNTY TOTAL	7	20
SUSSEX		
Bethany	0	0
Bethel	0	0
Blades	0	0
Bridgeville	0	0
Dagsboro	0	0
Delmar	0	0
Dewey Beach	0	0
Fenwick Island	0	0
Georgetown	0	3
Greenwood	0	0
Henlopen Acres	0	0
Laurel	0	0
Lewes	0	0
Milford (S)	1	0
Millsboro	1	1
Milton	0	0
Ocean View	0	0
Rehoboth	0	0
Seaford	2	0
Selbyville	0	0
Slaughter Beach	0	0
South Bethany	0	0
Unincorporated Areas	0	0
COUNTY TOTAL	4	4
STATEWIDE TOTAL	34	39

GOVERNMENT ASSISTANCE

Forty-three single-family units received federal assistance (FmHA, FHA, VA) in the form of direct loans, subsidies, mortgage insurance or mortgage guarantees in Delaware during third quarter 1986. This is an increase of 18 from last quarter. Table 19 summarizes this quarter's single-family activity.

The permit for the first phase (24 units) of Chadwick Apartments in Wilmington was issued this quarter. This multi-family project's financing includes an Urban Development Action Grant (UDAG), a mortgage from Wilmington's rental housing revenue bond, a Community Development Block Grant and a construction bridge loan from the Delaware State Housing Authority's Housing Development Fund.

TABLE 19

Single-Family Federal Assistance

	Farmers Home Administration	Federal Housing Administration	Veterans Administration	Total
New Castle Co.	4	2	0	6
Kent Co.	17	0	0	17
Sussex Co.	20	0	0	20
STATEWIDE TOTAL	41	2	0	43

NATIONAL HOUSING PICTURE

The U.S. Department of Commerce reports housing construction dropped 7.6% in September, the fourth decline in the past five months, after a slight 2% increase in August. Even with these declines, economists are predicting construction for the whole year will reach 1.85 million units, the best year since 1978.

New homes and apartments were built at an annual rate of 1.68 million units in September, down from 1.82 million units in August. Single-family construction dropped to 1.11 million units, a 6.9% decline from August's level. This decline was led by a 15.3% drop in activity in the Northeast.

Analysts feel that in the coming year single-family construction will remain close to current levels due to continuing low mortgage rates but multi-family activity could take a 25% plunge. Reasons cited include the negative effects of the new tax law on rental investment and the highest rental vacancy rates in 10 years.

# # # # # # # # # # #

APPENDIX A

GRAPHS OF SINGLE FAMILY

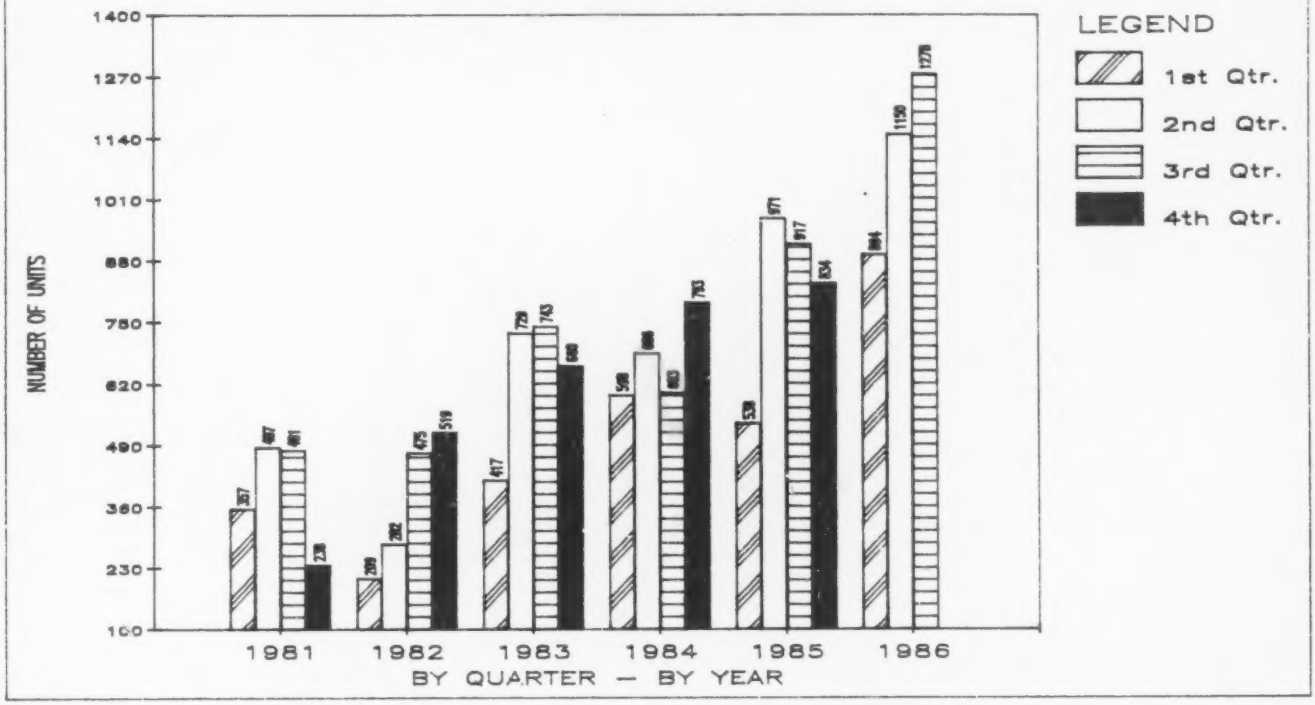
HOUSING PRODUCTION

1980 - 1986

(BY QUARTER)

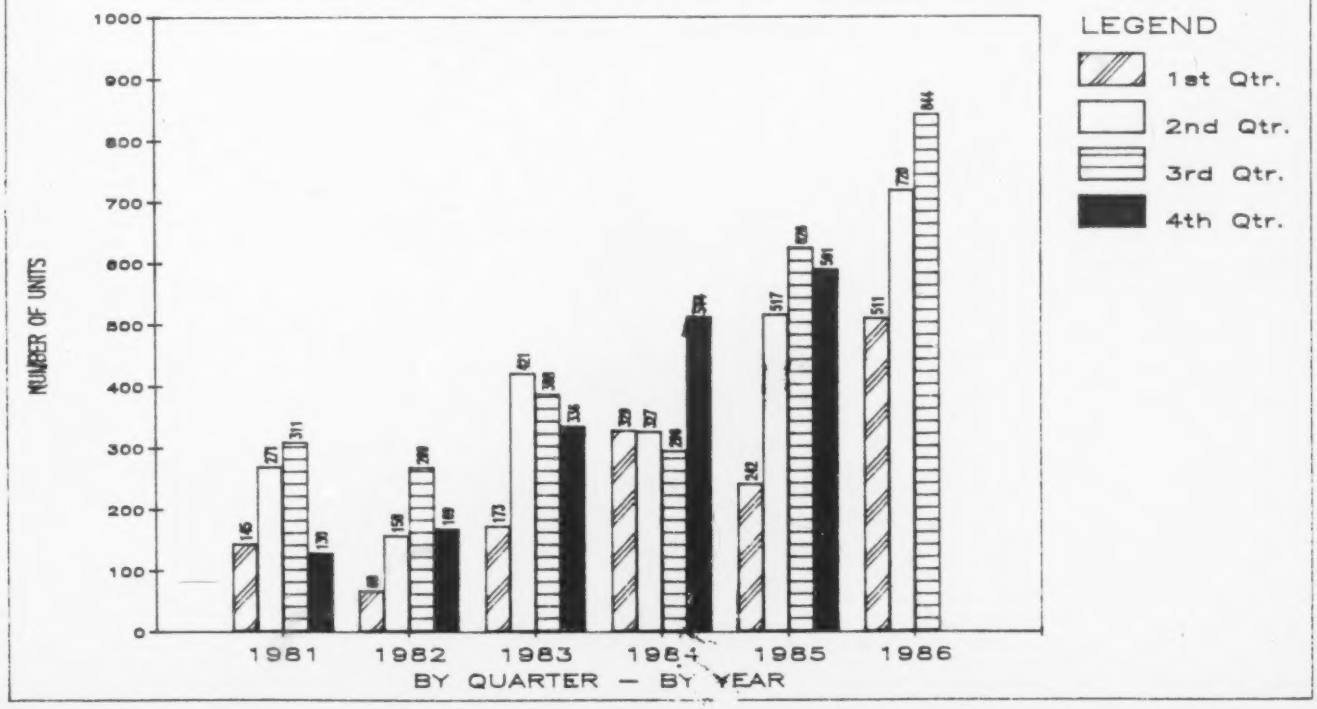
SINGLE FAMILY HOUSING PRODUCTION

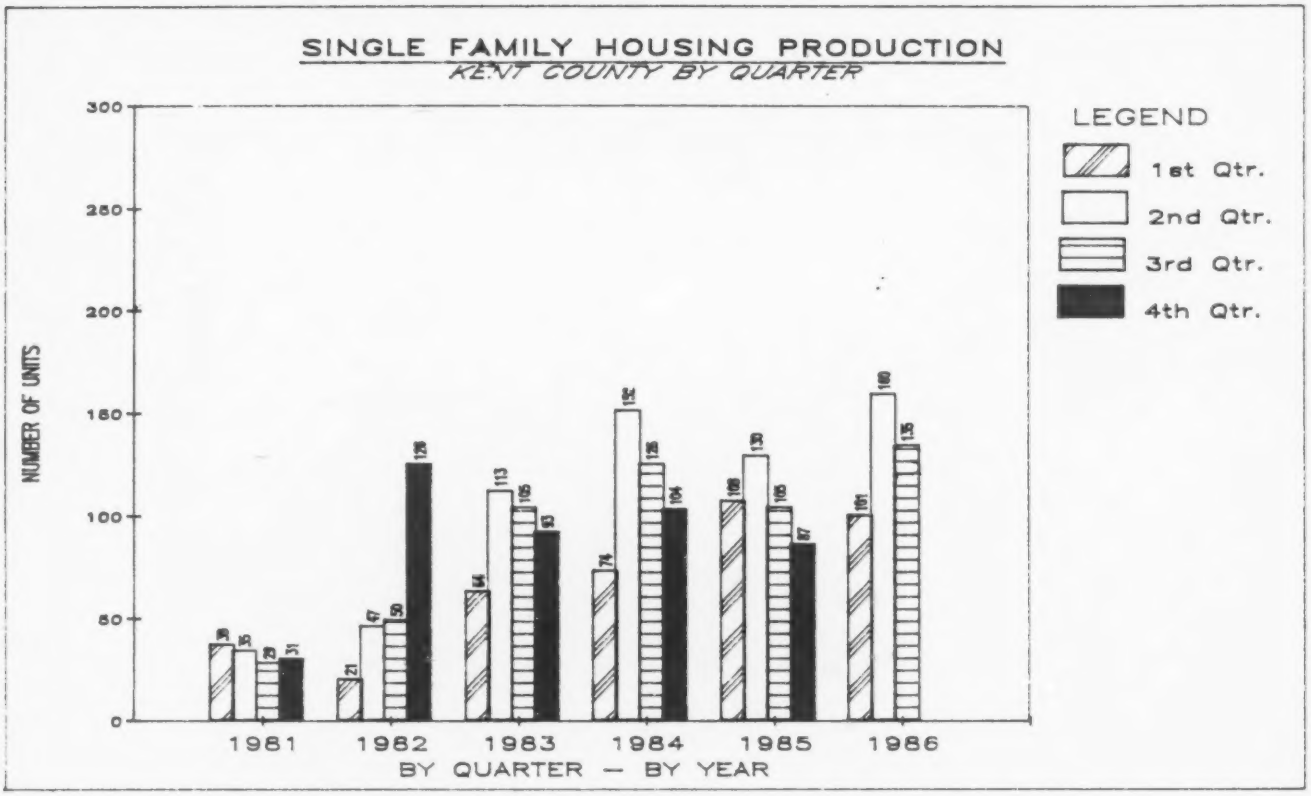
STATEWIDE BY QUARTER

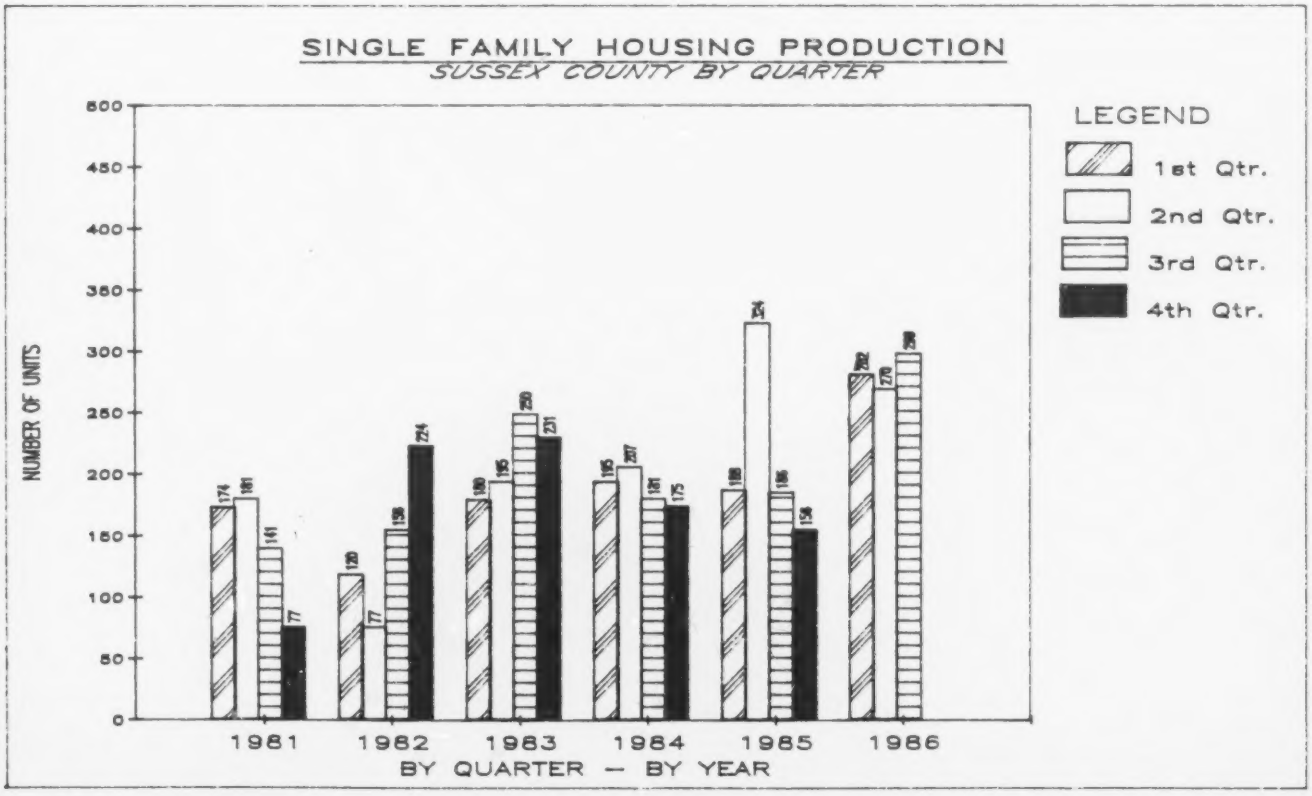


SINGLE FAMILY HOUSING PRODUCTION

NEW CASTLE COUNTY BY QUARTER




SINGLE FAMILY HOUSING PRODUCTION
KENT COUNTY BY QUARTER
LEGEND
1st Qtr.
2nd Qtr.
3rd Qtr.
4th Qtr.
NUMBER OF UNITS
300
250
200
150
100
50
0
1981
1982
1983
1984
1985
1986
BY QUARTER — BY YEAR


SINGLE FAMILY HOUSING PRODUCTION
SUSSEX COUNTY BY QUARTER
LEGEND
1st Qtr.
2nd Qtr.
3rd Qtr.
4th Qtr.
NUMBER OF UNITS
500
450
400
350
300
250
200
150
100
50
0
1981
1982
1983
1984
1985
1986
BY QUARTER — BY YEAR

APPENDIX B

AVERAGE BUILDERS' COST

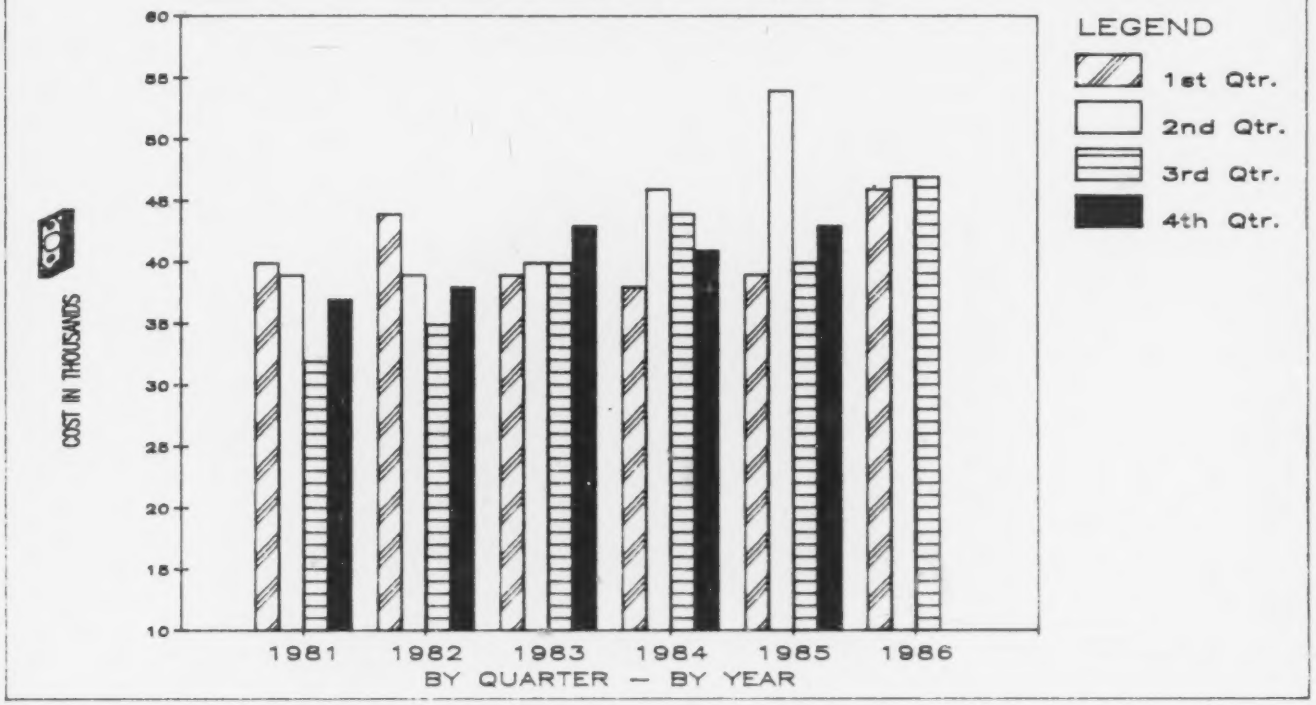
OF A SINGLE-FAMILY HOME

1980 - 1986

(BY QUARTER)

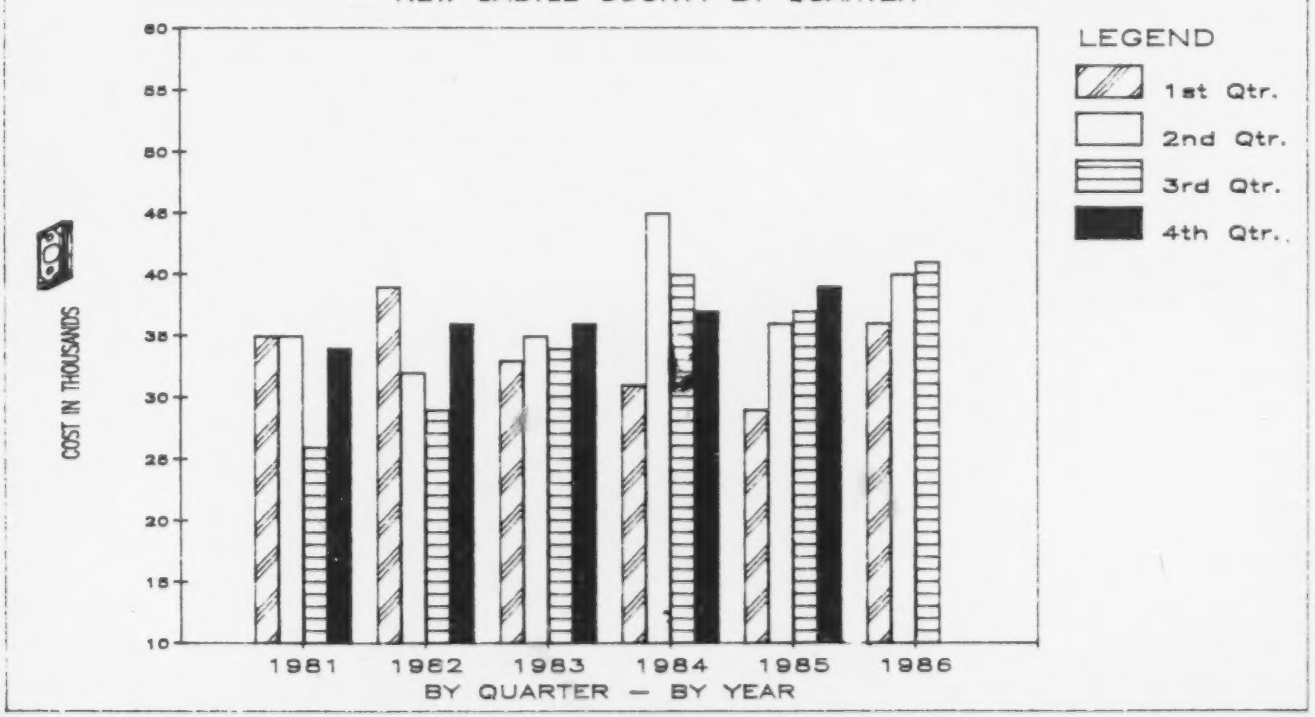
AVERAGE BUILDERS' COST FOR A SINGLE FAMILY HOME

STATEWIDE BY QUARTER



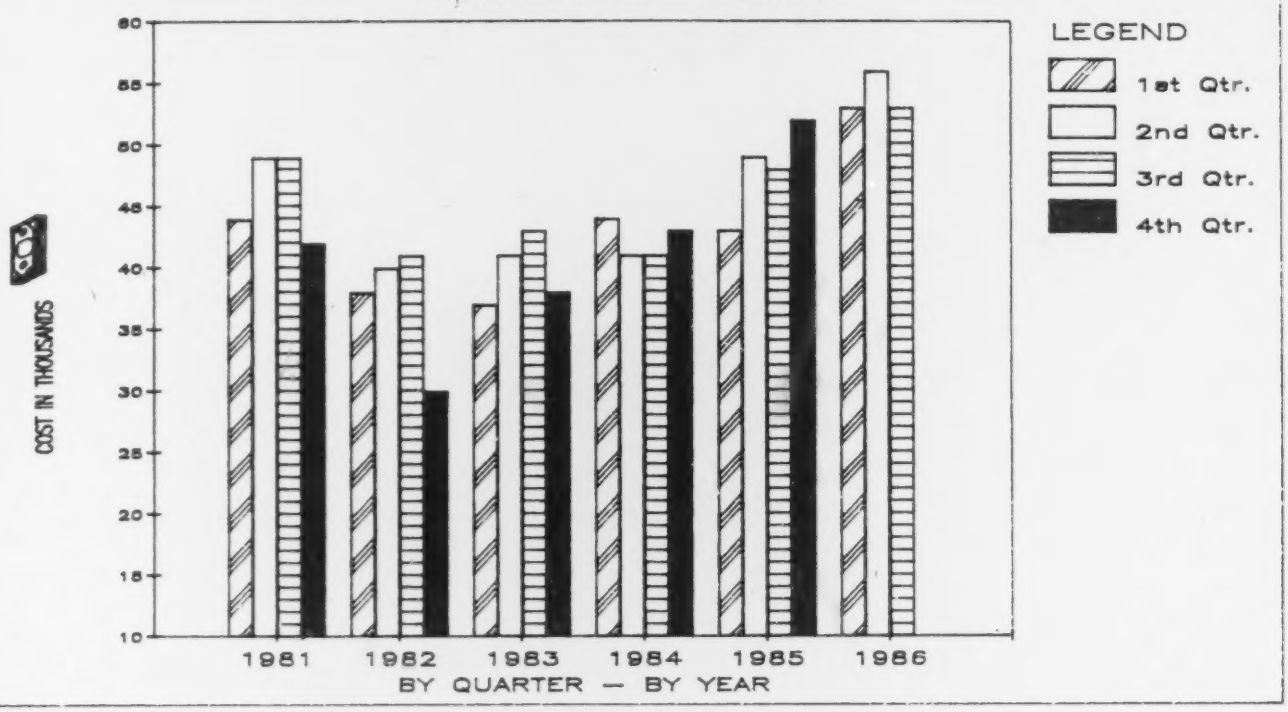
AVERAGE BUILDERS' COST FOR A SINGLE FAMILY HOME

NEW CASTLE COUNTY BY QUARTER



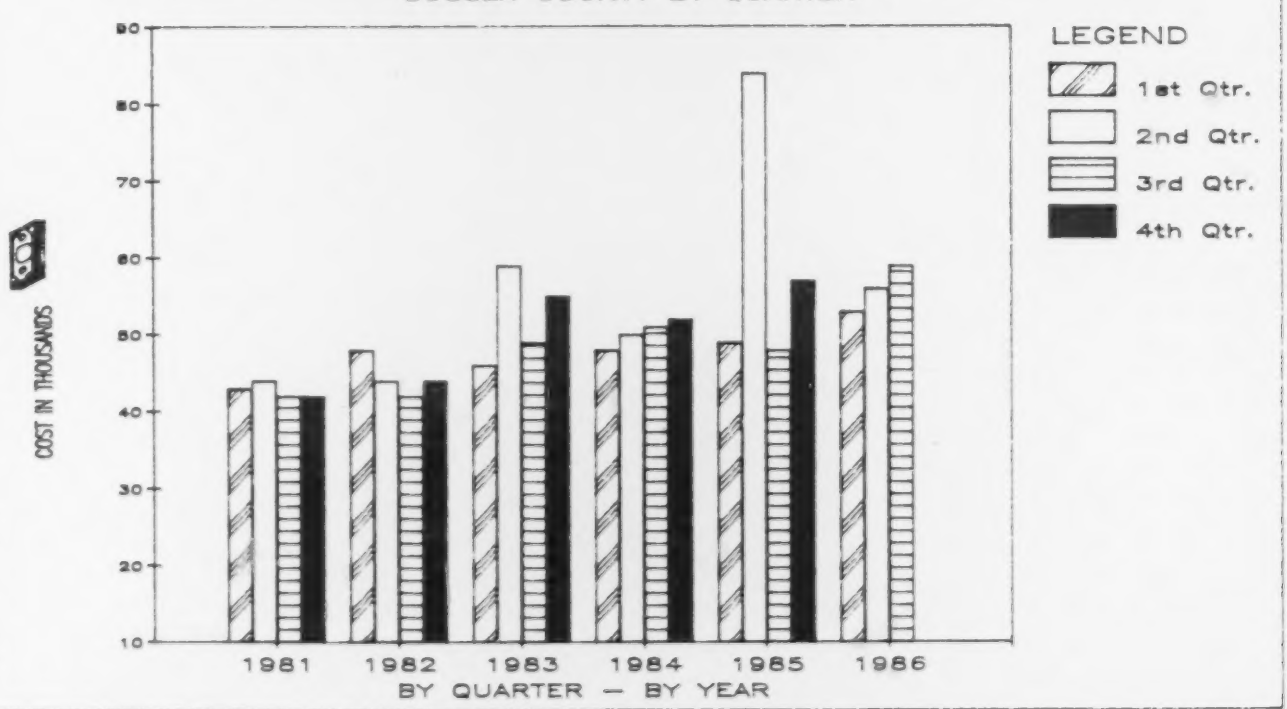
AVERAGE BUILDERS' COST FOR A SINGLE FAMILY HOME

KENT COUNTY BY QUARTER



AVERAGE BUILDERS' COST FOR A SINGLE FAMILY HOME

SUSSEX COUNTY BY QUARTER



The cooperation of local building permit offices in supplying data for this report is gratefully acknowledged.

Document #50-09-86-11-02

Printed in U.S.A.

3/30/87 S1345-2A

VOL. XV, NO. 1

WINTER, 1987

QUARTERLY REVIEW OF HOUSING PRODUCTION IN DELAWARE

FOURTH QUARTER, 1986 & 1986 ANNUAL ISSUE

QUARTERLY REVIEW

OF

HOUSING PRODUCTION

IN

DELAWARE

FOURTH QUARTER, 1986

AND

1986 ANNUAL ISSUE

Judith D. Ventura
Research and Information Section
Division of Housing and
Community Development
Department of Community Affairs
18 The Green
Dover, Delaware 19901

March, 1987

F O R E W O R D

Thanks in part to a strong fourth quarter, Delaware's housing production had its best year since 1973. Overall, 1986 was 29% higher than 1985: single-family starts were up 36%, multi-family 41% and mobile homes a more modest 4%.

The apparent dramatic increase in multi-family units is, unfortunately, misleading. Current record keeping does not differentiate between rental units and condominiums for sale. Though condominiums structurally are classified as multi-family, in fact most are owner-occupied year-round or are vacation homes at the shore.

Of the 1,652 units defined as multi-family, 633 are classified as condominiums. Of the remaining 1,019 apartments, only 13% are for low- and moderate-income elderly persons and families. Included in these 137 apartments are 33 of the 116-unit Chadwick Apartments in Wilmington which are receiving financial assistance from the State's Housing Development Fund. The balance is being funded by the Farmer's Home Administration.

In evaluating the significance of the 29% overall increase, planners and economists are again reminded that in 1986 the Division began including Sussex County units formerly considered seasonal. These additional units are a contributing factor in the 29% increase. However, in previous years, units considered seasonal averaged 375 annually which, when subtracted from the 7,726 total units begun this year, still gives Delaware a net housing construction growth of 23%.

Martha S. Harris

MARTHA S. HARRIS
Director, Division of Housing
and Community Development

TABLE OF CONTENTS

TITLE PAGE..... i

FOREWORD..... ii

TABLE OF CONTENTS..... iii

INTRODUCTION..... 1

FOURTH QUARTER, 1986 HOUSING PRODUCTION..... 3

1986 ANNUAL HOUSING PRODUCTION..... 19

APPENDIX A: GRAPHS OF SINGLE FAMILY HOUSING PRODUCTION..... 25

STATEWIDE..... 27
NEW CASTLE COUNTY..... 27
KENT COUNTY..... 28
SUSSEX COUNTY..... 28

APPENDIX B: AVERAGE BUILDERS' COSTS..... 29

STATEWIDE..... 31
NEW CASTLE COUNTY..... 31
KENT COUNTY..... 32
SUSSEX COUNTY..... 32

INTRODUCTION

This report presents housing activity in Delaware for calendar year as well as the fourth quarter 1986. Data included are: number of new housing units authorized by building permit, construction costs, number of mobile homes sold, details on unit composition, rehabilitated housing units and residential demolitions.

Information herein relates only to new housing units intended for occupancy on a housekeeping, rather than business, basis. The figures are actual totals accumulated from authorized building permits recorded by various jurisdictions and compiled by the Division of Housing and Community Development. Excluded from the data are hotels and motels, as well as group residential structures with permanent population. Because it is becoming more difficult to distinguish seasonal housing units constructed with full plumbing, heating and electrical facilities for eventual use as retirement homes from housing units constructed as year-round residences, the Division began reporting all on-site construction data for Sussex County. With this addition, however, comparisons to previous quarters cannot be made for at least one year since totals before first quarter 1986 did not include seasonal units.

Although the data relates to permit issuance rather than actual housing starts, permits are prompt, accurate indicators of construction activity. The United States Bureau of Census states that approximately 98-99 percent of all authorized construction is eventually undertaken. For simplification, therefore, permit issuance is expressed as "starts".

Building Permit Jurisdictions

New Castle and Kent Counties' building permit systems cover all unincorporated areas within their respective boundaries plus those incorporated communities without permit systems. Those towns and municipalities having permit laws are counted as separate entities within their counties.

Sussex County issues permits for the entire county, even though many local governments have building permit systems. This report adjusts county data to avoid double-counting.

Milford's data is counted in the county containing the building activity.

Definitions

Housing Units - for this report, a housing unit is a room or group of rooms intended for occupancy as separate year-round living quarters by one or more persons, and includes permanent provisions for living, sleeping, eating, cooking, and sanitation.

In accordance with this definition, each apartment unit in an apartment building is counted as one housing unit. Migratory, seasonal and vacation housing have been omitted.

Single-Family Unit - one-family free-standing homes and townhouses or row houses intended to be sold.

Multi-Family Units - a building occupied by more than one family all sharing a common area of land (i.e. condominiums, apartments and townhouses intended to be rented.)

Substantial Rehabilitation - additions and alterations containing three of the following four elements constitute substantial rehabilitation: electrical, heating, plumbing or structural work.

On-site Construction - housing built at the site it will occupy once completed. For the purposes of this report, manufactured housing is included in this definition. Mobile homes are not on-site construction.

Abbreviations Key

S-F - single-family
M-F - multi-family
M-H - mobile home

FOURTH QUARTER, 1986 HOUSING PRODUCTION

STATEWIDE

Housing production in the fourth quarter 1986 totalled 2,222 units, a 4% increase over third quarter 1986 figures and 13% above new housing units produced in the last quarter of 1985. While single-family and mobile home sales dropped 16% and 6% respectively this quarter from last quarter, multi-family starts this quarter increased 89% over last quarter. On-site units built this quarter totalled 1,799, and 423 new mobile homes were titled. Table 1 summarizes the total statewide housing production by housing type and quarter.

TABLE 1: STATEWIDE HOUSING PRODUCTION

STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
S-F	834	3,260	894	1,150	1,311	1,098	4,453
M-F	725	1,175	109	471	371	701	1,652
Total	1,559	4,435	1,003	1,621	1,682	1,799	6,105
M-H	400	1,558	322	425	451	423	1,621
TOTAL	1,959	5,993	1,325	2,046	2,133	2,222	7,726

The following points are of interest:

- Single-family housing construction decreased 20% and 19% respectively in New Castle and Sussex Counties this quarter compared to last, while Kent County increased 14%.
- Multi-family housing construction increased 115% and 130% respectively in New Castle and Sussex Counties this quarter over last, while Kent County declined 28%. Seventy-eight percent of the new multi-family unit starts are in New Castle County.
- Fifty-nine percent of new mobile homes titled this quarter are in Kent County, which again is the primary location for mobile home growth.
- Of the 1,098 single-family units begun during fourth quarter 1986, 53 were identified as manufactured homes. New Castle County recorded 21, Kent County 18 and Sussex County 14. Nanticoke Homes of Greenwood continues to manufacture the majority.

COUNTY ON-SITE CONSTRUCTION

New Castle County

Total on-site activity in New Castle County (1,225) increased 11% this quarter from last, and is up 49% over fourth quarter 1985.

- Single-family on-site construction decreased 20% below last quarter, but rose 14% over fourth quarter 1985. Growth continues to be concentrated in the Christiana-Glasgow corridor south of the Wilmington-Newark metropolitan area.

- Multi-family starts totalled 550 units, a 115% and 139% increase respectively from last quarter and fourth quarter 1985. Henderson Place Apartments, a 264-unit complex located on Henderson and New Linden Hill Roads in the Pike Creek Valley, accounted for most of the activity. Construction continues on Chadwick Apartments, a 116-unit complex located on Wilmington's lower East side, and Birch Pointe, a condominium complex in the Pike Creek Valley.

The following table provides detail of New Castle County data by quarter since fourth quarter 1985.

NEW CASTLE COUNTY

TABLE 2: ON-SITE PERMITS ISSUED AND MOBILE HOME SALES

LOCATION	STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
Bellefonte	S-F	0	0	1	0	0	0	1
	M-F	0	0	0	0	0	0	0
Elsmere	S-F	0	3	0	1	0	0	1
	M-F	0	0	0	0	0	0	0
New Castle	S-F	2	13	1	3	0	0	4
	M-F	0	10	0	6	0	3	9
Newark	S-F	8	58	18	17	20	31	86
	M-F	0	10	0	6	0	0	6
Newport	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Odessa	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Wilmington	S-F	1	39	6	38	27	13	84
	M-F	18	80	4	12	168	99	283
Unincorporated Areas	S-F	580	1,863	485	661	797	631	2,574
	M-F	212	368	66	196	88	448	798
New Castle Co. Total On-Site Activity	S-F	591	1,976	511	720	844	675	2,750
	M-F	230	468	70	220	256	550	1,096
		821	2,444	581	940	1,100	1,225	3,846
County Mobile Home Sale		30	59	15	29	23	25	92
TOTAL COUNTY PRODUCTION		851	2,503	596	969	1,123	1,250	3,938

Kent County

On-site housing construction in Kent County, as summarized in Table 3, totalled 206 units this quarter, just one unit less than last quarter, but a 31% increase over fourth quarter 1985.

- Single-family construction totalled 154 units, up 14% and 77% respectively over last quarter and fourth quarter 1985. Activity in unincorporated areas of the county accounted for most of the production. Building continues at the new housing subdivisions in northwestern Dover, notably Bicentennial Village III and Heatherfield.

- Multi-family construction totalled 52 units, down 28% and 26% respectively from last quarter and fourth quarter 1985. The first phase (40 units) of Green Meadows Garden Apartments, a planned 70-unit complex located on East Commerce Street in Smyrna, accounted for most of the activity.

KENT COUNTY

TABLE 3: ON-SITE PERMITS ISSUED AND MOBILE HOME SALES

LOCATION	STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
Camden	S-F	0	12	0	0	1	0	1
	M-F	0	0	0	0	0	0	0
Dover	S-F	10	111	30	48	32	57	167
	M-F	60	60	0	60	72	8	140
Harrington	S-F	1	5	1	4	2	2	9
	M-F	0	0	0	34	0	0	34
Milford (K)	S-F	1	5	2	3	1	3	9
	M-F	0	0	0	3	0	4	7
Smyrna	S-F	7	23	7	7	7	3	24
	M-F	2	12	0	0	0	40	40
Unincorporated Areas	S-F	68	274	61	98	92	89	340
	M-F	8	8	0	0	0	0	0
Kent County Total On-Site Activity	S-F	87	430	101	160	135	154	550
	M-F	70	80	0	97	72	52	221
	Total	157	510	101	257	207	206	771
County Mobile Home Sales		224	984	205	270	248	248	971
TOTAL COUNTY PRODUCTION		381	1,494	306	527	455	454	1,742

Sussex County

Single- and multi-family on-site housing starts in Sussex County totalled 368 units this quarter, 2% and 37% less respectively than last quarter and fourth quarter 1985.

- Single-family starts totalled 269 units, 19% less than last quarter, but 72% above fourth quarter 1985. Although several zoning and building moratoria were lifted in Rehoboth and Dewey Beach by the Sussex County Council in December 1986, most single-family construction still took place outside town/city limits along the shore this quarter.

- Multi-family starts totalled 99 units this quarter, up 130% from last quarter, but 77% less than fourth quarter 1985. Condominiums built at scattered sites outside incorporated town/city limits along the shore accounted for most of the activity.

See Table 4 for additional details.

SUSSEX COUNTY

TABLE 4: ON-SITE PERMITS ISSUED AND MOBILE HOME SALES

LOCATION	STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
Bethany	S-F	46	92	24	18	13	15	70
	M-F	0	0	0	8	6	8	22
Bethel	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Blades	S-F	2	9	4	3	1	4	12
	M-F	0	0	0	0	0	0	0
Bridgeville	S-F	0	1	1	0	1	1	3
	M-F	0	0	0	0	0	0	0
Dagsboro	S-F	0	0	1	1	1	0	3
	M-F	0	0	0	0	0	0	0
Delmar	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Dewey Beach	S-F	0	5	0	0	0	0	0
	M-F	10	19	0	0	0	0	0
Fenwick Island	S-F	0	1	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Georgetown	S-F	1	23	2	3	2	2	9
	M-F	0	0	4	0	0	0	4
Greenwood	S-F	0	2	0	0	0	1	1
	M-F	0	0	0	0	0	0	0
Henlopen Acres	S-F	0	0	0	0	1	0	1
	M-F	0	0	0	0	0	0	0
Laurel	S-F	0	2	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Lewes	S-F	2	15	4	10	8	7	29
	M-F	2	2	16	0	0	0	16
Milford (S)	S-F	2	8	2	0	2	2	6
	M-F	4	10	6	6	0	0	12
Millsboro	S-F	0	2	4	8	37	4	53
	M-F	32	32	0	4	0	0	4
Milton	S-F	0	3	3	1	5	0	9
	M-F	0	0	0	0	0	0	0
Ocean View	S-F	7	21	3	1	2	3	9
	M-F	0	0	0	0	0	0	0
Rehoboth	S-F	5	7	0	0	0	4	4
	M-F	0	17	3	3	0	0	6
Seaford	S-F	3	8	5	5	4	2	16
	M-F	0	0	0	0	8	0	8
Selbyville	S-F	1	4	0	1	0	1	2
	M-F	0	4	0	0	0	0	0
Slaughter Beach	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
South Bethany	S-F	5	38	11	8	7	9	35
	M-F	0	0	0	0	0	0	0
Unincorporated Areas	S-F	82	613	218	211	248	214	891
	M-F	377	543	10	133	29	91	263
Sussex County Total On-Site Activity	S-F	156	854	282	270	332	269	1,153
	M-F	425	627	39	154	43	99	335
	Total	581	1,481	321	424	375	368	1,488
County Mobile Homes Sales		146	515	102	126	180	150	558
TOTAL COUNTY PRODUCTION		727	1,996	423	550	555	518	2,046

MOBILE HOME ACTIVITY

Table 5 summarizes data from the State's Division of Motor Vehicles on new mobile homes titled during fourth quarter 1986. As has been true for the past three years, most of this quarter's mobile homes were registered in Kent County. This continues to account for more than half of total housing production there. Sales in Kent County remained the same as last quarter while New Castle County increased 9%. Sussex County experienced a 17% decrease this quarter.

TABLE 5

Mobile Home Activity

	4th Qtr 86	3rd Qtr 86	4th Qtr 85	Percent increase/(decrease) 4th Qtr 86 to 3rd Qtr 86	4th Qtr 86 to 4th Qtr 85
New Castle Co.	25	23	30	9%	(17%)
Kent Co.	248	248	224	0%	11%
Sussex Co.	150	180	146	(17%)	3%
Statewide Total	423	451	400	(6%)	6%

CONSTRUCTION COSTS

Reported from building permits; costs of land, architectural services, engineering, financing and other professional fees are not included.

Total Costs

The 1,799 units of on-site housing construction started this quarter generated a total permit value construction cost of $73,555,424, a more than $3.5 million increase over the $69,959,818 recorded last quarter for 1,682 new housing units. Statewide, 1,098 single-family units total amounted to $51,629,155 while the 701 multi-family units total $21,926,269.

Compared to housing construction dollars generated one year ago, this quarter's total on-site costs are 30% more than the $56,554,223 recorded for fourth quarter 1985. Total statewide construction costs by quarters are shown in Table 6. Total construction costs by town, county and unit types by quarters are shown in Tables 7, 8 and 9.

TABLE 6: STATEWIDE TOTAL ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
S-F	36,183,556	146,654,473	40,985,592	53,936,913	61,442,358	51,629,155	207,994,018
M-F	20,370,667	40,898,937	3,184,000	13,294,100	8,517,460	21,926,269	46,921,829
TOTAL	56,554,223	187,553,410	44,169,592	67,231,013	69,959,818	73,555,424	254,915,847

NEW CASTLE COUNTY

TABLE TABLE 7: TOTAL ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
Bellefonte	S-F	0	0	47,000	0	0	0	47,000
	M-F	0	0	0	0	0	0	0
Elsmere	S-F	0	85,000	0	25,000	0	0	25,000
	M-F	0	0	0	0	0	0	0
New Castle	S-F	117,000	587,000	40,320	159,840	0	0	200,160
	M-F	0	375,000	0	265,000	0	65,000	330,000
Newark	S-F	499,223	2,227,724	640,000	588,000	1,204,727	1,898,043	4,330,770
	M-F	0	293,000	0	120,000	0	0	120,000
Newport	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Odessa	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Wilmington	S-F	130,000	1,850,000	380,200	1,810,000	1,595,000	490,000	4,275,200
	M-F	980,000	3,794,000	90,000	270,000	4,345,128	3,217,724	7,922,852
Unincorporated Areas	S-F	22,107,625	67,125,379	18,325,146	25,918,171	31,949,701	24,762,613	100,955,631
	M-F	4,743,667	9,545,884	1,064,000	4,805,000	1,743,880	12,385,417	19,998,297
New Castle Co. TOTAL	S-F	22,853,848	71,875,103	19,432,666	28,501,011	34,749,428	27,150,656	109,833,761
	M-F	5,723,667	14,007,884	1,154,000	5,460,000	6,089,008	15,668,141	28,371,149
	Total	28,577,515	85,882,987	20,586,666	33,961,011	40,838,436	42,818,797	138,204,910

KENT COUNTY

TABLE 8: TOTAL ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
Camden	S-F	0	410,000	0	0	60,000	0	60,000
	M-F	0	0	0	0	0	0	0
Dover	S-F	524,000	4,268,200	1,254,745	1,842,813	1,642,000	2,606,740	7,346,298
	M-F	1,126,000	1,126,000	0	1,126,000	1,348,000	148,000	2,622,000
Harrington	S-F	25,000	146,500	52,000	113,275	64,000	90,700	319,975
	M-F	0	0	0	1,031,680	0	0	1,031,680
Milford (K)	S-F	36,000	234,000	88,500	139,000	36,500	109,000	373,000
	M-F	0	0	0	290,000	0	110,000	400,000
Smyrna	S-F	268,220	959,895	535,861	506,600	242,400	202,300	1,487,161
	M-F	45,000	220,000	0	0	0	1,394,500	1,394,500
Unincorporated Areas	S-F	3,643,533	14,518,404	3,431,959	6,329,052	5,129,130	4,980,057	19,870,198
	M-F	180,000	180,000	0	0	0	0	0
Kent County TOTAL	S-F	4,496,753	20,537,499	5,363,065	8,960,740	7,174,030	7,988,797	29,486,632
	M-F	1,351,000	1,526,000	0	2,447,680	1,348,000	1,652,500	5,448,180
	TOTAL	5,847,753	22,063,499	5,363,065	11,408,420	8,522,030	9,641,297	34,934,812

SUSSEX COUNTY

TABLE 9: TOTAL COST ON-SITE CONSTRUCTION
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
Bethany	S-F	2,786,095	5,756,703	1,411,772	1,179,546	780,353	1,236,900	4,608,571
	M-F	0	0	0	600,000	450,000	500,000	1,550,000
Bethel	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Blades	S-F	79,160	292,160	134,900	106,342	28,400	121,500	391,442
	M-F	0	0	0	0	0	0	0
Bridgeville	S-F	0	60,000	60,000	0	51,000	45,000	156,000
	M-F	0	0	0	0	0	0	0
Dagsboro	S-F	0	0	89,000	50,000	36,000	0	175,000
	M-F	0	0	0	0	0	0	0
Delmar	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Dewey Beach	S-F	0	400,000	0	0	0	0	0
	M-F	697,000	1,597,000	0	0	0	0	0
Fenwick Island	S-F	0	80,000	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Georgetown	S-F	42,000	730,000	89,080	163,965	124,858	123,500	501,403
	M-F	0	0	154,000	0	0	0	154,000
Greenwood	S-F	0	50,000	0	0	0	50,000	50,000
	M-F	0	0	0	0	0	0	0
Henlopen Acres	S-F	0	0	0	0	250,000	0	250,000
	M-F	0	0	0	0	0	0	0
Laurel	S-F	0	73,000	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Lewes	S-F	401,772	1,126,937	361,000	858,505	521,940	601,523	2,342,968
	M-F	67,000	67,000	640,000	0	0	0	640,000
Milford (S)	S-F	72,100	407,250	235,000	0	71,500	72,500	379,000
	M-F	84,000	219,000	149,000	136,000	0	0	285,000
Millsboro	S-F	0	76,000	182,000	316,376	1,591,000	101,000	2,190,376
	M-F	800,000	800,000	0	360,000	0	0	360,000
Milton	S-F	0	141,000	119,000	78,000	163,400	0	360,400
	M-F	0	0	0	0	0	0	0
Ocean View	S-F	463,000	1,173,900	131,000	75,000	101,090	204,000	511,090
	M-F	0	0	0	0	0	0	0
Rehoboth	S-F	306,000	429,000	0	0	0	361,250	361,250
	M-F	0	1,600,000	250,000	250,000	0	0	500,000
Seaford	S-F	140,000	451,875	201,700	294,500	217,900	140,500	854,600
	M-F	0	0	0	0	254,592	0	254,592
Selbyville	S-F	39,000	0	0	42,000	0	37,750	79,750
	M-F	0	30,000	0	0	0	0	0
Slaughter Beach	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
South Bethany	S-F	343,000	2,851,512	932,180	540,163	524,000	701,850	2,698,193
	M-F	0	0	0	0	0	0	0
Unincorporated Areas	S-F	4,160,828	39,931,534	12,242,729	12,770,765	15,057,459	12,692,429	52,763,382
	M-F	11,648,000	21,052,053	837,000	4,040,420	375,860	4,105,628	9,358,908
Sussex County TOTAL	S-F	8,832,955	54,241,871	16,189,861	16,475,162	19,518,900	16,489,702	68,673,625
	M-F	13,296,000	25,365,053	2,030,000	5,386,420	1,080,452	4,605,628	13,102,500
	TOTAL	22,128,955	79,606,924	18,219,861	21,861,582	20,599,352	21,095,330	81,776,125

Average Costs

Average housing construction costs are reported for trend purposes only and are not true cost indicators.

Statewide average housing construction costs this quarter for both single- and multi-family on-site units decreased 1% to $40,887 from last quarter, but rose 13% above average unit costs recorded one year ago this time. The average construction cost for a single-family unit this quarter is $47,021, less than 1% more than costs per unit last quarter, but 8% higher per unit than fourth quarter 1985. The statewide per-unit construction cost of a multi-family apartment this quarter is $31,279, up 36% above costs reported last quarter, and 11% more than costs reported in the fourth quarter 1985.

TABLE 10: STATEWIDE AVERAGE ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
S-F	43,385	44,986	45,845	46,902	46,867	47,021	46,709
M-F	28,098	34,808	29,211	28,225	22,958	31,279	28,403
ALL UNITS	36,276	42,289	44,037	41,475	41,593	40,887	41,755

Average on-site construction costs increased 14% and 4% respectively in Kent and Sussex Counties this quarter compared to last, but decreased 6% in New Castle County. New single-family average construction costs were again lowest in New Castle County this quarter at $40,225, 2% below costs last quarter, but 4% above comparable costs one year ago this quarter.

The highest cost per single-family unit this quarter is $61,300 in Sussex County, up 4% from last quarter, and 8% more than fourth quarter 1985. The average cost for a new single-family home in Kent County decreased to $51,875, 2% less than last quarter, but 1% more than per-unit costs reported for fourth quarter 1985.

Sale prices in New Castle County, which are generally higher than new units sold in Kent and Sussex Counties, do not correlate with the apparently significant lower construction cost of units there. Construction costs are reported from building permits submitted by contractors and do not include the land cost and other extras that may be incurred during actual construction.

Quarterly average construction costs by housing unit type, town and county are shown in Tables 11, 12 and 13.

NEW CASTLE COUNTY

TABLE 11: AVERAGE ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 4th Qtr	1985 Total	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
Bellefonte	S-F	0	0	47,000	0	0	0	47,000
	M-F	0	0	0	0	0	0	0
Elsmere	S-F	0	28,333	0	25,000	0	0	25,000
	M-F	0	0	0	0	0	0	0
New Castle	S-F	58,500	45,154	40,320	53,280	0	0	50,040
	M-F	0	37,500	0	44,167	0	21,667	36,667
Newark	S-F	62,403	38,409	35,555	34,588	60,236	61,227	50,358
	M-F	0	29,300	0	20,000	0	0	20,000
Newport	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Odessa	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Wilmington	S-F	130,000	47,436	63,367	47,632	59,074	37,692	50,895
	M-F	54,444	47,425	22,500	22,500	25,864	32,502	27,996
Unincorporated Areas	S-F	38,117	36,031	37,784	39,211	40,087	39,243	39,221
	M-F	22,376	25,940	16,121	24,515	19,817	27,646	25,060
New Castle Co. TOTAL	S-F	38,670	36,374	38,029	39,585	41,172	40,225	39,940
	M-F	24,886	29,931	16,486	24,818	23,785	28,488	25,886
	ALL UNITS	34,808	35,140	35,433	36,129	37,126	34,954	35,935

KENT COUNTY

TABLE 12: AVERAGE ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
Camden	S-F	0	34,167	0	0	60,000	0	60,000
	M-F	0	0	0	0	0	0	0
Dover	S-F	52,400	38,452	41,825	39,017	51,313	45,732	43,990
	M-F	18,767	18,767	0	18,767	18,722	18,500	18,729
Harrington	S-F	25,000	29,300	52,000	28,319	32,000	45,350	35,553
	M-F	0	0	0	30,343	0	0	30,344
Milford (K)	S-F	36,000	46,900	44,250	46,333	36,500	36,333	41,444
	M-F	0	0	0	96,667	0	27,500	57,143
Smyrna	S-F	38,317	41,734	76,552	72,371	34,629	67,433	61,965
	M-F	22,500	18,333	0	0	0	34,862	34,863
Unincorporated Areas	S-F	53,581	52,987	56,262	64,582	55,751	55,957	58,442
	M-F	22,500	22,500	0	0	0	0	0
Kent County TOTAL	S-F	51,687	47,762	53,100	56,005	53,141	51,875	53,612
	M-F	19,300	19,075	0	25,234	18,722	31,778	24,652
	ALL UNITS	37,247	14,768	53,100	44,391	41,169	46,802	45,311

SUSSEX COUNTY
TABLE 13: AVERAGE ON-SITE CONSTRUCTION COSTS
(REPORTED FROM PERMITS)

LOCATION	STRUCTURE	1985 4th Qtr	1985 TOTAL	1986 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1986 TOTAL
Bethany	S-F	60,567	62,573	58,824	65,530	60,027	82,460	65,837
	M-F	0	0	0	75,000	75,000	62,500	70,455
Bethel	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Blades	S-F	39,580	32,462	33,650	35,447	28,400	30,375	32,620
	M-F	0	0	0	0	0	0	0
Bridgeville	S-F	0	60,000	60,000	0	51,000	45,000	52,000
	M-F	0	0	0	0	0	0	0
Dagsboro	S-F	0	0	89,000	50,000	36,000	0	58,333
	M-F	0	0	0	0	0	0	0
Delmar	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Dewey Beach	S-F	0	80,000	0	0	0	0	0
	M-F	69,700	84,053	0	0	0	0	0
Fenwick Island	S-F	0	80,000	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Georgetown	S-F	42,000	31,739	44,540	54,655	62,429	61,750	55,711
	M-F	0	0	38,500	0	0	0	38,500
Greenwood	S-F	0	25,000	0	0	0	50,000	50,000
	M-F	0	0	0	0	0	0	0
Henlopen Acres	S-F	0	0	0	0	250,000	0	250,000
	M-F	0	0	0	0	0	0	0
Laurel	S-F	0	36,500	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
Lewes	S-F	200,886	75,129	90,250	85,851	65,242	85,932	80,792
	M-F	33,500	33,500	40,000	0	0	0	40,000
Milford (S)	S-F	36,050	50,906	117,500	0	35,750	36,250	63,167
	M-F	21,000	21,900	24,833	22,667	0	0	23,750
Millsboro	S-F	0	38,000	45,700	39,547	43,000	25,250	41,328
	M-F	25,000	25,000	0	90,000	0	0	90,000
Milton	S-F	0	47,000	39,667	78,000	32,680	0	40,044
	M-F	0	0	0	0	0	0	0
Ocean View	S-F	66,143	55,900	43,667	75,000	50,545	68,000	56,788
	M-F	0	0	0	0	0	0	0
Rehoboth	S-F	61,200	61,286	0	0	0	90,313	90,313
	M-F	0	94,118	83,333	83,333	0	0	83,333
Seaford	S-F	46,667	56,484	40,340	58,900	54,475	70,250	53,413
	M-F	0	0	0	0	61,824	0	31,824
Selbyville	S-F	39,000	47,750	0	42,000	0	37,750	39,875
	M-F	0	7,500	0	0	0	0	0
Slaughter Beach	S-F	0	0	0	0	0	0	0
	M-F	0	0	0	0	0	0	0
South Bethany	S-F	68,660	75,040	84,744	67,520	74,857	77,983	77,091
	M-F	0	0	0	0	0	0	0
Unincorporated Areas	S-F	50,742	65,141	56,159	60,525	60,716	59,310	59,218
	M-F	30,897	38,770	83,700	30,379	12,961	45,117	35,585
Sussex County TOTAL	S-F	56,621	63,515	57,411	61,019	58,792	61,300	59,561
	M-F	31,285	40,454	52,051	34,977	25,127	46,521	39,112
	ALL UNITS	38,088	53,752	56,760	68,105	54,932	57,324	54,957

UNIT PROFILE

According to the statistics below, the most popular new housing unit begun during October, November and December, 1986 is a three bedroom single-family unit containing between 1,000 to 1,500 square feet of living space and heated by an electric heat pump.

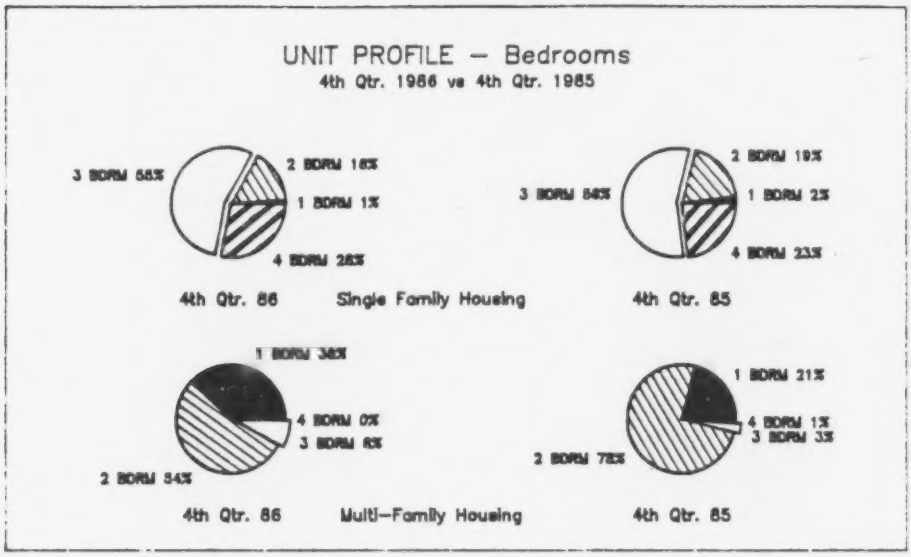
Bedrooms

Of the 1,799 on-site new housing units, 34% were three-bedroom single-family units, down from 46% in third quarter 1986. The four-bedroom single-family home demand decreased to 17%, down from 18% last quarter. The two-bedroom multi-family unit represented 21% of total activity this quarter, up from 13% last quarter. The one-bedroom multi-family unit demand increased to 15%, up from 5% in third quarter 1986. Table 14 shows bedroom mix breakdowns per unit type by communities and counties for this quarter compared to fourth quarter 1985. Figure 1 shows bedroom percentages by unit type.

TABLE 14: NUMBER OF BEDROOMS IN NEW HOUSING UNITS

LOCATION	4TH QUARTER 1985								4TH QUARTER 1986							
	1 BR		2 BR		3 BR		4 BR		1 BR		2 BR		3 BR		4 BR	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
NEW CASTLE																
Bellefonte	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Castle	0	0	0	0	2	0	0	0	0	3	0	0	0	0	0	0
Newark	0	0	0	0	6	0	2	0	0	0	12	0	11	0	8	0
Newport	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Odessa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wilmington	0	0	0	10	1	8	0	0	0	29	0	70	13	0	0	0
Unincorporated Areas	1	72	125	140	284	0	170	0	0	215	116	220	283	13	232	0
COUNTY TOTAL	1	72	125	150	293	8	172	0	0	247	128	290	307	13	240	0
KENT																
Camden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dover	0	24	0	30	3	6	7	0	0	0	9	8	31	0	17	0
Harrington	0	0	1	0	0	0	0	0	0	0	1	0	1	0	0	0
Milford (K)	0	0	0	0	1	0	0	0	0	0	0	4	3	0	0	0
Smyrna	0	0	2	0	7	0	0	0	0	20	0	20	3	0	0	0
Unincorporated Areas	0	0	11	8	52	0	5	0	2	0	5	0	72	0	10	0
COUNTY TOTAL	0	24	14	38	63	6	12	0	2	20	15	32	110	0	27	0
SUSSEX																
Bethany	16	0	0	0	27	0	3	0	0	0	0	0	15	8	0	0
Bethel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Blades	0	0	0	0	2	0	0	0	0	0	0	0	4	0	0	0
Bridgeville	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0
Dagsboro	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delmar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dewey Beach	0	4	0	0	0	0	0	6	0	0	0	0	0	0	0	0
Fenwick Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Georgetown	0	0	1	0	0	0	0	0	0	0	0	0	2	0	0	0
Greenwood	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Henlopen Acres	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laurel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lewes	0	0	0	2	2	0	0	0	0	0	0	0	7	0	0	0
Milford (S)	0	2	0	2	0	2	0	0	0	0	0	0	3	0	0	0
Millsboro	0	16	0	16	0	0	0	0	0	0	3	0	1	0	0	0
Milton	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0
Ocean View	0	0	2	0	5	0	0	0	0	0	0	0	3	0	0	0
Rehoboth	0	0	0	0	5	0	0	0	0	0	0	0	4	0	0	0
Seaford	0	0	0	0	3	0	0	0	0	0	0	0	1	0	1	0
Selbyville	0	0	0	4	1	0	0	0	0	0	0	0	1	0	0	0
Slaughter Beach	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Bethany	0	0	0	0	3	0	2	0	0	0	0	0	9	0	0	0
Unincorporated Areas	0	29	24	323	71	7	4	1	1	0	35	54	140	37	37	0
COUNTY TOTAL	16	51	27	343	119	9	9	7	2	0	38	54	191	45	38	0
TOTAL	17	147	166	531	475	23	193	7	4	267	181	376	608	58	305	0

FIGURE 1



Living Space

Statewide, the mid-sized units (between 1,000 and 1,500 square feet) took the lead in per unit living space preference with 51% of the 1,799 on-site new units. Most (78%) of these units are in New Castle County. The larger new housing units (over 1,500 square feet) represented 37% of statewide starts and were preferred in Kent and Sussex Counties. Small units (less than 1,000 square feet) accounted for 12% of the total units statewide. More details are available in Table 15.

FIGURE 2

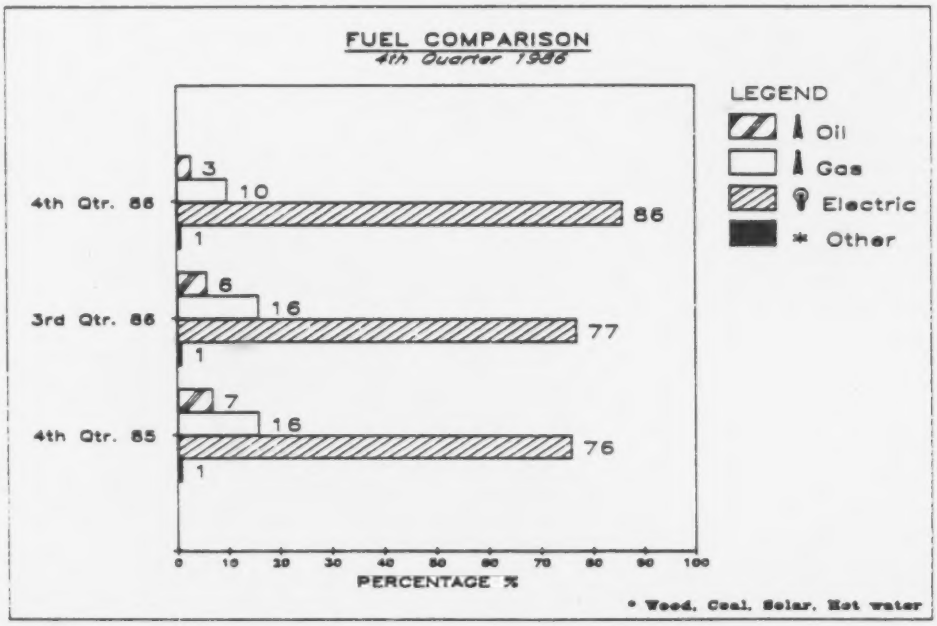


TABLE 15: NUMBER OF UNITS BY SQUARE FEET PER UNIT

LOCATION	1985 4TH QUARTER under 1000	1000-1500	over 1500	1986 4TH QUARTER under 1000	1000-1500	over 1500
NEW CASTLE						
Bellefonte	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0
New Castle	0	2	0	3	0	0
Newark	0	5	3	0	5	26
Newport	0	0	0	0	0	0
Odessa	0	0	0	0	0	0
Wilmington	0	8	11	0	105	7
Unincorporated Areas	127	327	338	72	608	399
COUNTY TOTAL	127	342	352	75	718	432
KENT						
Camden	0	0	0	0	0	0
Dover	24	32	14	15	10	40
Harrington	0	1	0	0	2	0
Milford (K)	0	1	0	0	3	4
Smyrna	5	4	0	40	1	2
Unincorporated Areas	11	36	29	10	52	27
COUNTY TOTAL	40	74	43	65	68	73
SUSSEX						
Bethany	0	0	46	0	23	0
Bethel	0	0	0	0	0	0
Blades	0	2	0	0	4	0
Bridgeville	0	0	0	0	1	0
Dagsboro	0	0	0	0	0	0
Delmar	0	0	0	0	0	0
Dewey Beach	6	4	0	0	0	0
Fenwick Island	0	0	0	0	0	0
Georgetown	0	1	0	0	2	0
Greenwood	0	0	0	1	0	0
Henlopen Acres	0	0	0	0	0	0
Laurel	0	0	0	0	0	0
Lewes	0	2	2	0	5	2
Milford (S)	4	2	0	0	2	0
Millsboro	0	30	2	3	1	0
Milton	0	0	0	0	0	0
Ocean View	0	6	1	0	0	3
Rehoboth	0	4	1	0	0	4
Seaford	0	2	1	0	1	1
Selbyville	0	1	0	0	1	0
Slaughter Beach	0	0	0	0	0	0
South Bethany	0	1	4	0	8	1
Unincorporated Areas	416	43	0	67	86	154
COUNTY TOTAL	426	98	57	71	134	163
TOTAL	593	514	452	211	920	668

Heating Fuel

Electric heat (primarily via a heat pump) continues to be the most favored heat source in Delaware this quarter with 86% of the 1,799 on-site new units, up from 77% last quarter, and 76% in fourth quarter 1985. Electric heat is the dominant heat source in all three counties. The distribution of heating sources for on-site residential construction this quarter, compared to last quarter and the fourth quarter 1985 is shown in Figure 2. More details are available in Table 16.

TABLE 16: HEATING FUEL IN HOUSING UNITS

NUMBER OF NEW UNITS WITH SPECIFIED FUEL

LOCATION	1985 4TH QUARTER Oil	Gas	Elec.	Other	1986 4TH QUARTER Oil	Gas	Elec.	Other
NEW CASTLE								
Bellefonte	0	0	0	0	0	0	0	0
Elsmere	0	0	0	0	0	0	0	0
New Castle	0	2	0	0	0	3	0	0
Newark	0	0	8	0	0	12	19	0
Newport	0	0	0	0	0	0	0	0
Odessa	0	0	0	0	0	0	0	0
Wilmington	0	0	19	0	0	6	106	0
Unincorporated Areas	15	164	612	1	16	95	968	0
COUNTY TOTAL	15	166	639	1	16	116	1,093	0
KENT								
Camden	0	0	0	0	0	0	0	0
Dover	0	68	2	0	0	43	22	0
Harrington	0	1	0	0	0	0	2	0
Milford (K)	0	0	1	0	0	0	3	4
Smyrna	0	3	6	0	0	2	41	0
Unincorporated Areas	15	0	56	5	8	19	59	3
COUNTY TOTAL	15	72	65	5	8	64	127	7
SUSSEX								
Bethany	0	0	46	0	0	0	23	0
Bethel	0	0	0	0	0	0	0	0
Blades	0	0	2	0	0	0	4	0
Bridgeville	0	0	0	0	0	0	1	0
Dagsboro	0	0	0	0	0	0	0	0
Delmar	0	0	0	0	0	0	0	0
Dewey Beach	6	0	4	0	0	0	0	0
Fenwick Island	0	0	0	0	0	0	0	0
Georgetown	0	0	1	0	0	0	2	0
Greenwood	0	0	0	0	0	0	1	0
Henlopen Acres	0	0	0	0	0	0	0	0
Laurel	0	0	0	0	0	0	0	0
Lewes	0	0	4	0	0	0	7	0
Milford (S)	0	0	6	0	0	0	2	0
Millsboro	0	0	32	0	1	0	3	0
Milton	0	0	0	0	0	0	0	0
Ocean View	0	2	5	0	0	0	3	0
Rehoboth	0	0	5	0	0	0	4	0
Seaford	0	2	1	0	0	0	2	0
Selbyville	0	0	1	0	0	0	1	0
Slaughter Beach	0	0	0	0	0	0	0	0
South Bethany	0	0	6	0	0	0	9	0
Unincorporated Areas	80	5	374	0	30	11	264	0
COUNTY TOTAL	86	9	486	0	31	11	326	0
TOTAL	116	247	1,190	6	55	191	1,546	7

REHABILITATED AND DEMOLISHED HOUSING

Home modifications or improvements for which permits have been issued range from adding a bathroom, bedroom or family room to substantial rehabilitation of a fire-damaged unit. Alterations and additions to existing housing units in Delaware this quarter totalled 333 at a total cost of $5,511,705, averaging $16,552 per unit.

Housing renovation work this quarter decreased 30% from last quarter, and is 5% less than one year ago. The average unit cost this quarter decreased 10% per home compared to the previous quarter, but is up 3% versus a year ago. The majority of improvements occurred in New Castle County, particularly in Wilmington. They included rowhouse renovations at scattered sites throughout the City by the Wilmington Housing Authority and improvements to 25 units at 1900 Race Street by Buena Vista, Inc. Table 17 shows housing renovation cost and units this quarter compared to fourth quarter 1985. Table 18 shows residential demolitions this quarter compared to fourth quarter 1985.

TABLE 17: REHABILITATION HOUSING (UNITS AND COST IN THOUSANDS)

LOCATION	1985 4TH QTR. UNITS	1985 4TH QTR. COST	1986 4TH QTR. UNITS	1986 4TH QTR. COST
NEW CASTLE				
Bellefonte	0	0	0	0
Elsmere	3	50	0	0
New Castle	24	166	1	15
Newark	1	12	6	148
Newport	0	0	2	15
Odessa	0	0	0	0
Wilmington	152	2,203	120	1,663
Unincorporated Areas	67	1,032	82	1,306
COUNTY TOTAL	247	3,464	211	3,148
KENT				
Camden	2	12	0	0
Dover	6	69	7	92
Harrington	0	0	0	0
Milford (K)	4	90	2	10
Smyrna	0	0	0	0
Unincorporated Areas	28	326	30	557
COUNTY TOTAL	40	497	39	659
SUSSEX				
Bethany	21	245	2	41
Bethel	0	0	0	0
Blades	0	0	0	0
Bridgeville	0	0	0	0
Dagsboro	0	0	0	0
Delmar	0	0	0	0
Dewey Beach	0	0	0	0
Fenwick Island	0	0	0	0
Georgetown	2	17	1	20
Greenwood	0	0	0	0
Henlopen Acres	0	0	0	0
Laurel	0	0	2	30
Lewes	1	55	21	978
Milford (s)	1	15	2	27
Millsboro	10	164	3	68
Milton	4	240	0	0
Ocean View	0	0	0	0
Rehoboth	10	745	6	200
Seaford	3	45	4	30
Selbyville	8	0	0	0
Slaughter Beach	0	0	0	0
South Bethany	3	60	1	44
Unincorporated Areas	0	0	41	266
COUNTY TOTAL	63	1,666	83	1,705
STATEWIDE	350	5,627	333	5,512

TABLE 18: RESIDENTIAL UNITS DEMOLISHED

LOCATION	NUMBER OF UNITS DEMOLISHED 1985 4th Qtr	1986 4th Qtr
NEW CASTLE		
Bellefonte	0	0
Elsmere	0	0
New Castle	0	2
Newark	2	0
Newport	0	0
Odessa	0	0
Wilmington	7	4
Unincorporated Areas	4	2
COUNTY TOTAL	13	8
KENT		
Camden	0	0
Dover	0	0
Harrington	0	0
Milford (K)	1	0
Smyrna	0	0
Unincorporated Areas	13	6
COUNTY TOTAL	14	6
SUSSEX		
Bethany	1	2
Bethel	0	0
Blades	0	0
Bridgeville	0	0
Dagsboro	0	0
Delmar	0	0
Dewey Beach	0	0
Fenwick Island	0	0
Georgetown	0	3
Greenwood	0	0
Henlopen Acres	0	0
Laurel	0	0
Lewes	0	2
Milford (S)	1	2
Millsboro	0	0
Milton	0	0
Ocean View	0	0
Rehoboth	0	0
Seaford	0	0
Selbyville	1	0
Slaughter Beach	0	0
South Bethany	0	0
Unincorporated Areas	0	0
COUNTY TOTAL	3	6
STATEWIDE TOTAL	30	20

GOVERNMENT ASSISTANCE

Twenty-two single-family units received federal assistance (FmHA, FHA, VA) in the form of direct loans, subsidies, mortgage insurance or mortgage guarantees in Delaware during fourth quarter 1986. This is a decrease of 21 from last quarter. Table 19 summarizes this quarter's single-family activity.

The permit for the first of phase Green Meadows Garden Apartments (40 units) in Smyrna was issued this quarter. This $1.6 million multi-family project is being financed by the Farmers Home Administration. Fifty percent of the apartments will be eligible for rent subsidies. Construction will begin in the spring.

The permit for the balance (92 units) of Chadwick Apartments in Wilmington was also issued this quarter. Financing for this project includes an Urban Development Action Grant (UDAG), a mortgage from Wilmington's tax-exempt bond financing, a Community Development Block Grant and a construction bridge loan from the Delaware State Housing Authority's Housing Development Fund. When completed, 28% of the apartments will be available for low- and moderate-income families.

TABLE 19

Single-Family Federal Assistance

	Farmers Home Administration	Federal Housing Administration	Veterans Administration	Total
New Castle Co.	0	5	0	5
Kent Co.	9	0	1	10
Sussex Co.	7	0	0	7
STATEWIDE TOTAL	16	5	1	22

# # # # # # # # # #

1986 ANNUAL HOUSING PRODUCTION

STATEWIDE

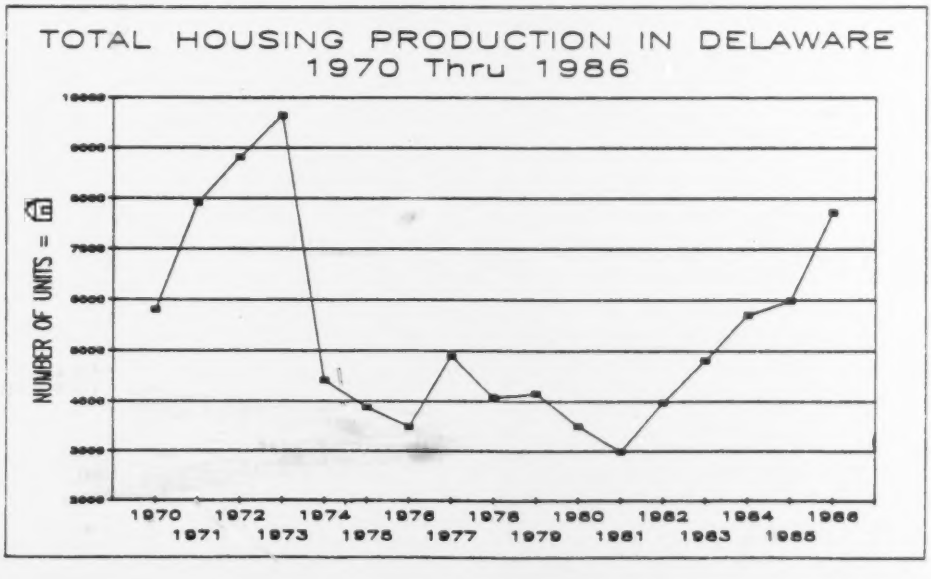
Housing production in Delaware had its best year since 1973 with 7,726 units, a 29% jump over last year's 5,993 units. Single-family construction rose 36% with 4,453 units, the highest figure recorded since the Division of Housing began reporting building permit data in 1970. Multi-family starts totalled 1,652 units, a 41% climb over 1985 and the best total in 13 years. Mobile home sales increased 4% to 1,621, another best since 1973.

In 1986:

- Single-family housing construction increased 39%, 28% and 35% respectively in New Castle, Kent and Sussex Counties over 1985.
- Multi-family units decreased 47% in Sussex County while Kent and New Castle Counties rose 176% and 134% respectively compared to 1985.
- New mobile home sales increased in all three counties and represented 21% of the State's total housing growth, with the majority (60%) in Kent County.
- Sixty-three percent of all on-site housing construction occurred in New Castle County.
- Manufactured housing was more significant in 1986 than housing permit starts indicated. Of the 4,453 single-family units begun during 1986, 221 were identified on building permits as manufactured homes, compared to 220 in 1985. However, Nanticoke Homes of Greenwood, based on the company's records, alone constructed and placed 376 homes in Delaware during 1986. Since there are several manufactured housing companies operating in Delaware aside from Nanticoke Homes, this suggests the actual number of manufactured houses produced in 1986 far exceeds the recorded 221.

Total housing production in Delaware since 1970 is shown in Figure 3. Table 21 shows annual housing production in Delaware since 1970 by category and county location.

FIGURE 3



COUNTY ON-SITE CONSTRUCTION

New Castle County

Total on-site activity in New Castle County (3,846) increased 57% over 1985 and is the best annual figure since 1973.

- Single-family construction (2,750) rose 39% over 1985 and is the highest annual figure recorded for the County since the Division of Housing and Community Development began reporting housing data. Growth was concentrated in the Christiana-Glasgow corridor south of the Wilmington-Newark metropolitan area where over a dozen new developments began construction.

- Multi-family starts (1,096) jumped 134% over last year, a figure not surpassed since 1973. Activity centered at various condominium and apartment complexes in the Pike Creek Valley (notably Birch Pointe, Henderson Place Apartments) and Wilmington (notably Towne Estates, Chadwick Apartments).

Kent County

On-site housing construction in Kent County totalled 771 this year, a 51% increase over 1985 and the best year since 1975.

- Single-family units (550) increased 28% over 1985. Activity in unincorporated areas of the county, particularly south of Dover and Milford, accounted for most of the production along with continued building at new housing subdivisions in northwestern Dover (Heatherfield, Bicentennial Village, The Retreat, Woodmill).

- Multi-family construction totalled 221 units, up 176% over 1985 and the best production figure in 11 years. Apartment complexes in Dover (Woodmill), Harrington (Diamond Court) and Smyrna (Green Meadows) contributed to the production upswing.

Sussex County

New on-site activity in Sussex County (1,488) increased only 1% over 1985, but 1986 still produced the best annual total since 1973.

- Single-family starts totalled 1,153 units, 35% more than last year and the best annual figure in 16 years. However, seasonal units, not included in totals before first quarter 1986, are a contributing factor for the jump in single-family units. Bethany, Lewes, Millsboro and South Bethany had considerable activity, but most of the growth (77%) was concentrated outside of town limits.

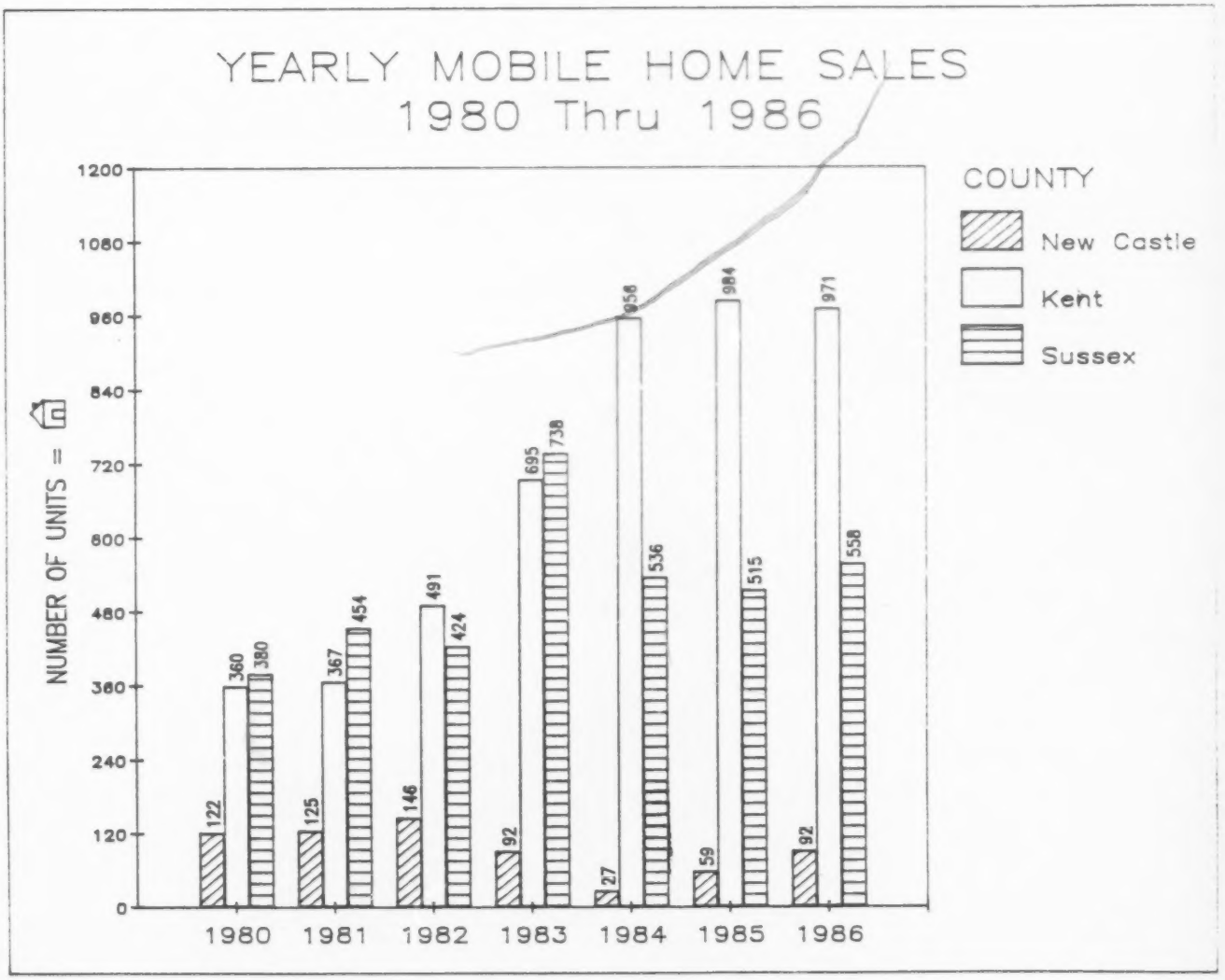
- Multi-family starts totalled 335 units, down 47% compared to 1985. Condominiums built at scattered sites in unincorporated areas along the County's east coast accounted for most of the year's activity.

MOBILE HOME ACTIVITY

The State's Division of Motor Vehicles reported 1,621 mobile homes titled in Delaware during 1986, 4% more than 1985 and the best total since 1973. Sixty percent (971) were sold and placed in Kent County, 1% less than 1985, but the second highest total recorded in 16 years. Mobile homes comprised 56% of the total housing growth there. Seventy-one mobile home parks are currently in operation in Kent County according to County planning officials, compared to 32 in 1970.

New Castle and Sussex Counties increased 56% (92) and 8% (558) respectively over 1985, making both totals the best since 1983. New mobile home activity since 1980 by county is shown in Figure 4.

FIGURE 4



UNIT PROFILE

The three-bedroom single-family home represented 59% of the 4,453 single-family units versus 60% in 1985. Four-bedroom homes represented 24% of single-family units, a 1% decrease from 1985. Fifty-seven percent of the 1,652 multi-family units begun in 1985 called for a two-bedroom floor plan, down 7% from 1985. The one-bedroom multi-family unit demand increased to 31%, 9% over 1985.

Forty-four percent of the 6,105 on-site units begun in 1986 will contain between 1,000 and 1,500 square feet, 5% more than 1985. The larger-sized units, over 1,500 square feet, dropped to second place with 43%, but still beat 1985 by 3%. The smaller units, under 1,000 square feet, fell to 13%, 8% less than 1985 due to the larger-sized multi-family units being built in New Castle and Sussex Counties.

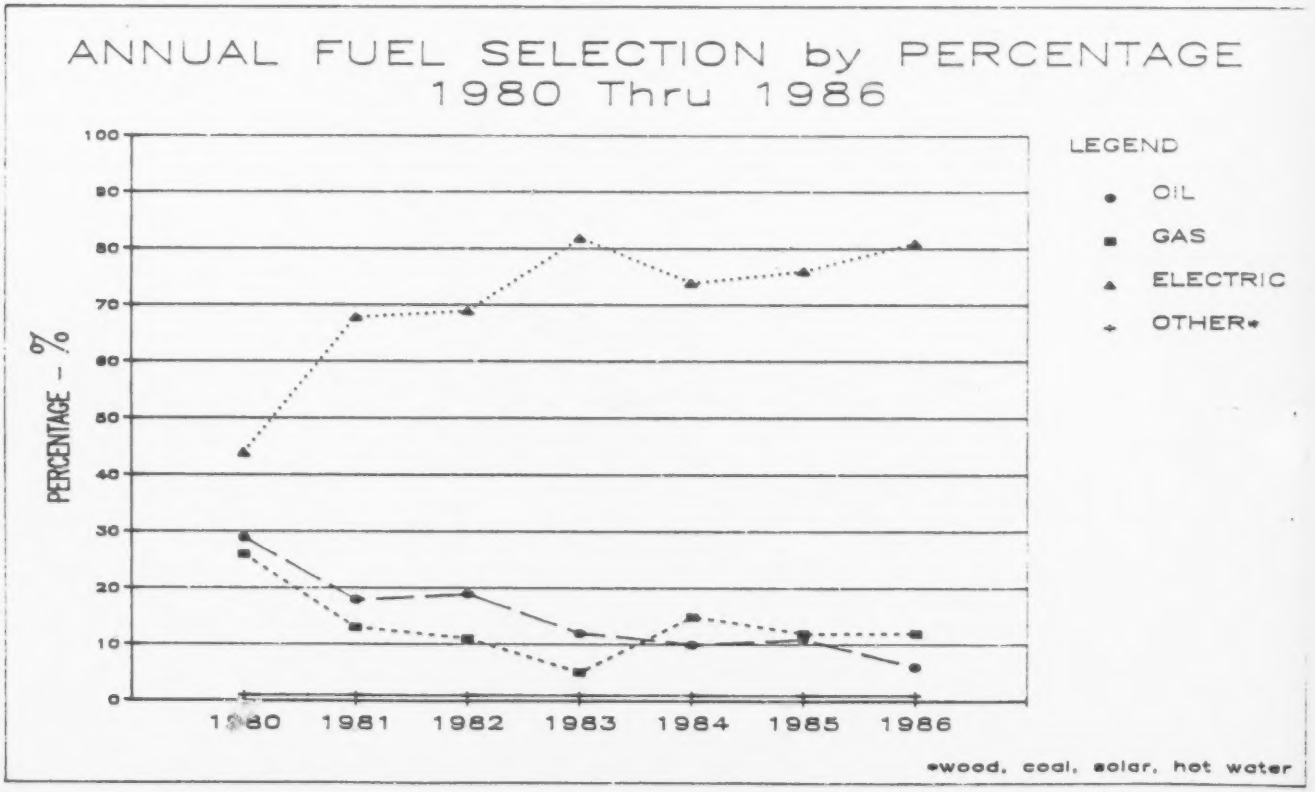
The greatest percent of larger homes (47% of the County's 3,846 on-site units) are being constructed in New Castle County. Kent and Sussex Countians preferred the mid-sized unit this year at 45% and 47% respectively of all on-site activity in those Counties.

Gas heat will again be supplied to 12% of all new on-site units, no change from 1985. Electric heat, primarily via a heat pump, is designated for 81% of the 6,105 new units in 1986, versus 76% in 1985. The demand for oil heat decreased to 6% in 1986, and 67% of all oil-heated units are in Sussex County. Figure 5 tracks annual fuel selections for new housing constructed on-site in Delaware over the last 12 years.

For additional 1986 unit profile data, refer to the year's previous Quarterly Reviews or contact the Division at (302) 736-4263.

In summary, the typical new housing unit built on-site in Delaware in 1986 was a mid-sized three-bedroom single-family home heated with an electric heat pump.

FIGURE 5



HOUSING REHABILITATION

Repairing and restoring housing units is an integral part of preserving Delaware's existing housing supply. In 1986, 1,466 housing units were substantially (i.e. adding a room, installing indoor plumbing, renovating a fire-damaged unit, etc.) rehabilitated, an 18% increase over 1985. Over two-thirds of the activity occurred in New Castle County, primarily in Wilmington where the Wilmington Housing Authority's federally funded program to upgrade their public housing units to code compliance standards continued this year. The statewide cost per unit in 1986 was $17,508, up less than 1% from average construction costs recorded in 1985.

GOVERNMENT ASSISTANCE

One hundred and nine single-family units received federal assistance (FmHa, FHA, VA) in the form of direct loans, subsidies, mortgages insurance or mortgage guarantees in Delaware during 1986. This is a decrease of 12 from 1985. Table 20 summarizes single-family activity in 1986.

Three multi-family developments began construction in 1986 under federal programs to house low- and moderate-income Delawareans. Diamond Court, a 34-unit project in Harrington, is being financed by the Farmers Home Administration. Another FmHA project is the 70-unit Green Meadows Garden Apartments in Smyrna. Chadwick Apartments, a 116-unit development in Wilmington, is receiving financing from an Urban Development Action Grant (UDAG), a mortgage from Wilmington's tax-exempt bond financing, a Community Development Block Grant and a construction bridge loan from the Delaware State Housing Authority's Housing Development Fund.

TABLE 20

Single-Family Federal Assistance

	Farmers Home Administration	Federal Housing Administration	Veterans Administration	Total
New Castle Co.	7	23	0	30
Kent Co.	37	0	1	38
Sussex Co.	41	0	0	41
STATEWIDE TOTAL	85	23	1	109

NATIONAL HOUSING PICTURE

The U. S. Department of Commerce reports that mild weather and mortgage rate declines in recent months helped 1986 new housing starts surge to 1,806,600, the most for any year since 1978 and a 3.7% increase over 1985. Single family starts in 1986 totalled 1.2 million units, 11% more than in 1985. Multi-unit starts last year decreased to 593,000, a 23% drop from 1985.

By region, starts leaped 50% in the Midwest and were up 17.6% in the Northeast, 3.7% in the South and 5.2% in the West. Housing strength may have been overstated, some analysts suggested, as a result of unusually mild weather in the Midwest and Northeast.

Economist predict that single-family starts will do well in 1987, with further drops in mortgage rates forecasted. Multi-family residences however, will fall as a result of high vacancy rates and overbuilding, plus the new tax law's elimination of many tax-shelter incentives.

# # # # # # # # # #

TABLE 21

HOUSING PRODUCTION VOLUME
1970 - 1986

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
SINGLE FAMILY																	
NCC	1,697	2,078	2,026	1,987	725	885	1,247	1,559	1,441	1,185	1,328	857	664	1,318	1,466	1,976	2,750
KENT	311	650	552	761	570	450	538	550	443	372	198	133	244	375	456	430	550
SUSSEX	562	854	1,066	1,024	651	599	637	755	733	642	552	573	577	856	758	854	1,153
STATE	2,570	3,582	3,644	3,772	1,946	1,934	2,422	2,864	2,617	2,199	2,078	1,563	1,485	2,549	2,680	3,260	4,453
MULTI-FAMILY																	
NCC	1,476	2,114	2,325	2,790	901	668	84	920	299	566	368	170	921	235	836	468	1,096
KENT	60	214	707	510	93	441	4	14	102	161	11	0	146	51	185	80	221
SUSSEX	30	297	473	614	215	2	83	170	98	82	186	310	366	459	489	627	335
STATE	1,566	2,625	3,505	3,914	1,209	1,111	171	1,104	499	809	565	480	1,433	745	1,510	1,175	1,652
MOBILE HOME SALES																	
NCC	437	337	364	354	187	98	285	269	178	98	122	125	146	92	27	59	92
KENT	843	792	638	938	605	410	474	487	514	584	360	367	491	695	956	984	971
SUSSEX	391	574	670	668	469	326	140	174	273	466	380	454	424	738	536	515	558
STATE	1,671	1,704	1,672	1,960	1,261	834	899	930	965	1,148	862	946	1,061	1,525	1,519	1,558	1,621
TOTAL PRODUCTION																	
NCC	3,610	4,529	4,715	4,705	1,813	1,651	1,616	2,748	1,918	1,849	1,818	1,152	1,731	1,645	2,329	2,503	3,938
KENT	1,214	1,656	1,897	2,209	1,268	1,301	1,016	1,051	1,059	1,117	569	500	881	1,121	1,597	1,494	1,742
SUSSEX	983	1,725	2,209	2,306	1,335	927	860	1,099	1,104	1,190	1,118	1,337	1,367	2,053	1,783	1,996	2,046
STATE	5,807	7,911	8,821	9,646	4,416	3,879	3,492	4,898	4,081	4,156	3,505	2,989	3,979	4,819	5,709	5,993	7,726

APPENDIX A

GRAPHS OF SINGLE FAMILY

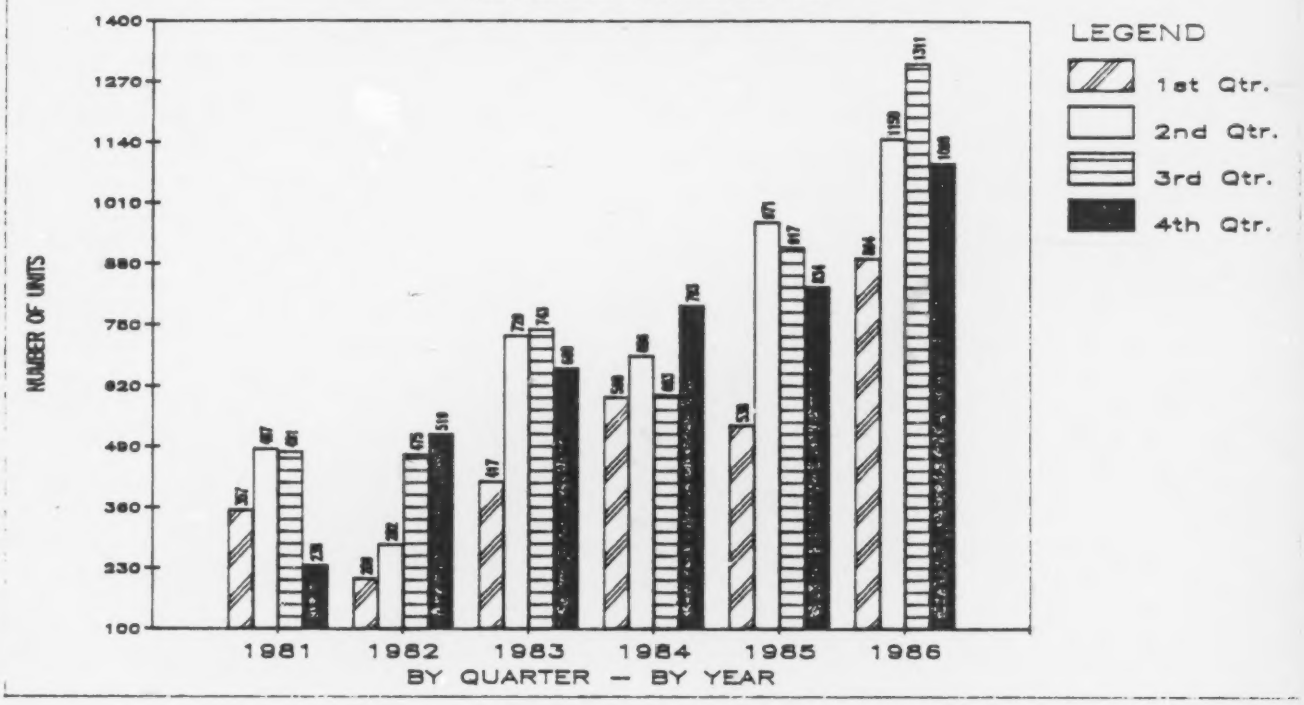
HOUSING PRODUCTION

1980 - 1986

(BY QUARTER)

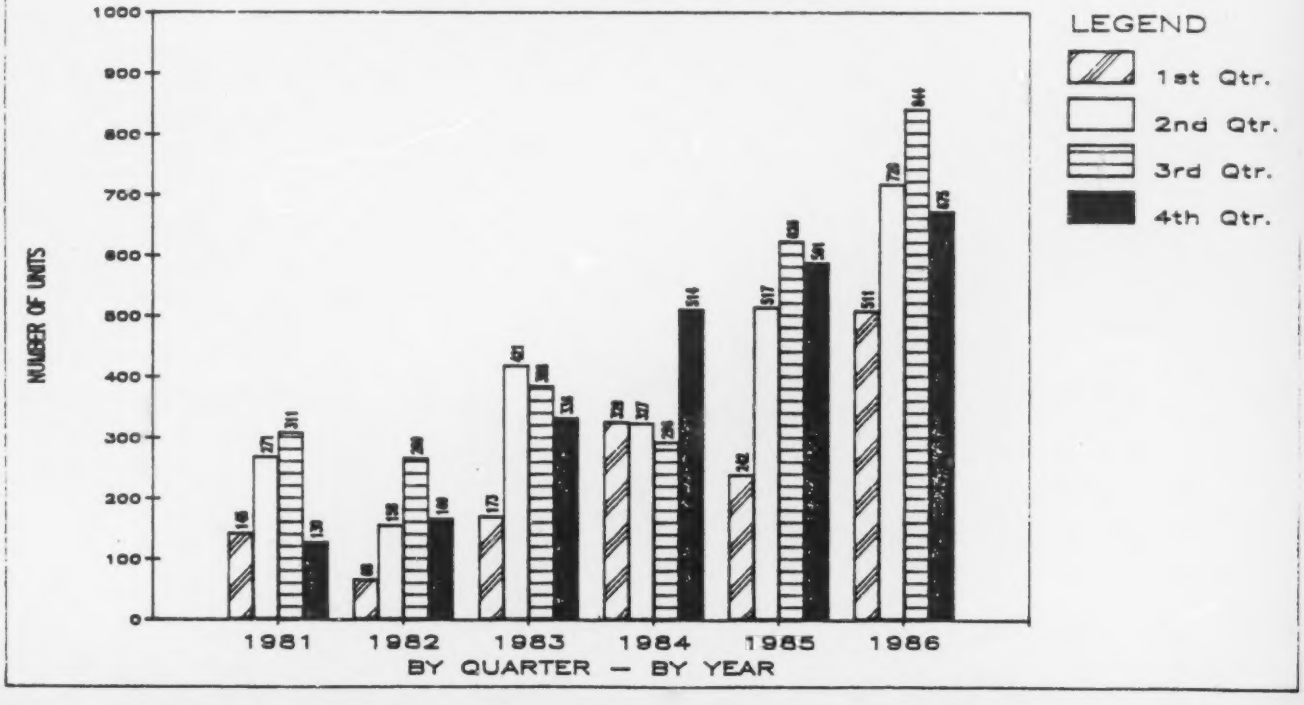
SINGLE FAMILY HOUSING PRODUCTION

STATEWIDE BY QUARTER



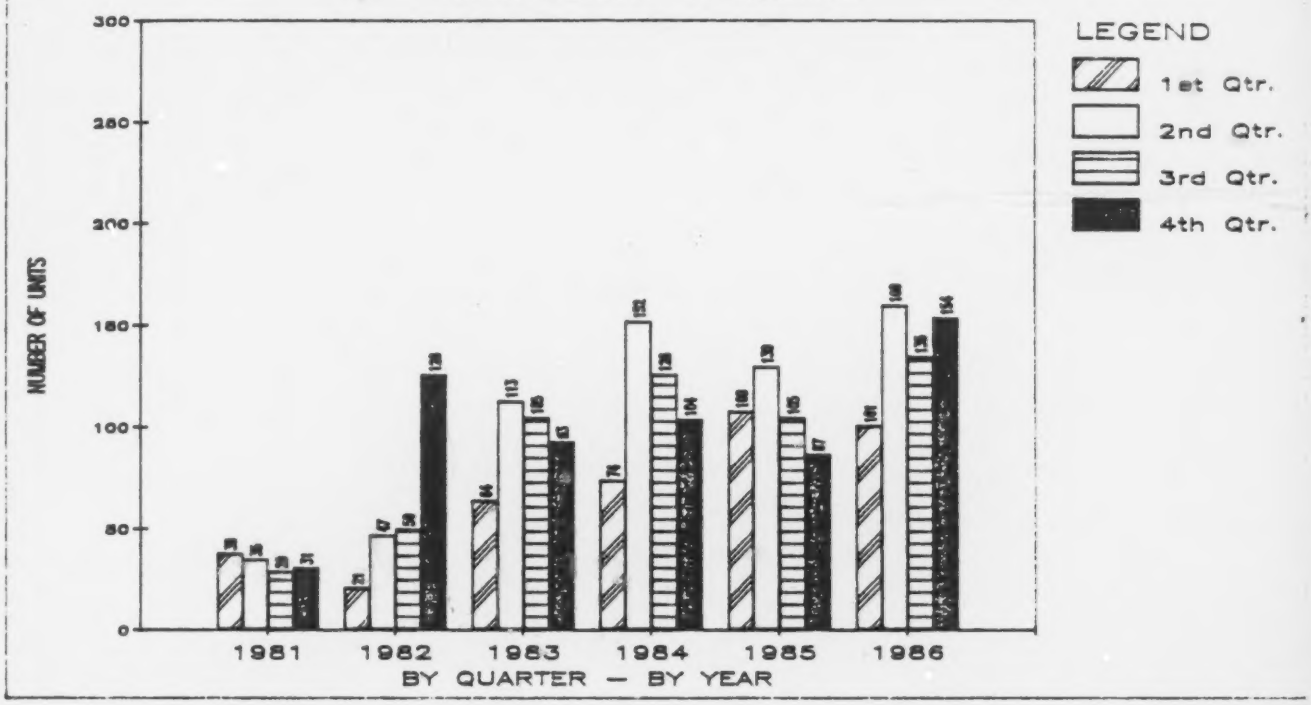
SINGLE FAMILY HOUSING PRODUCTION

NEW CASTLE COUNTY BY QUARTER



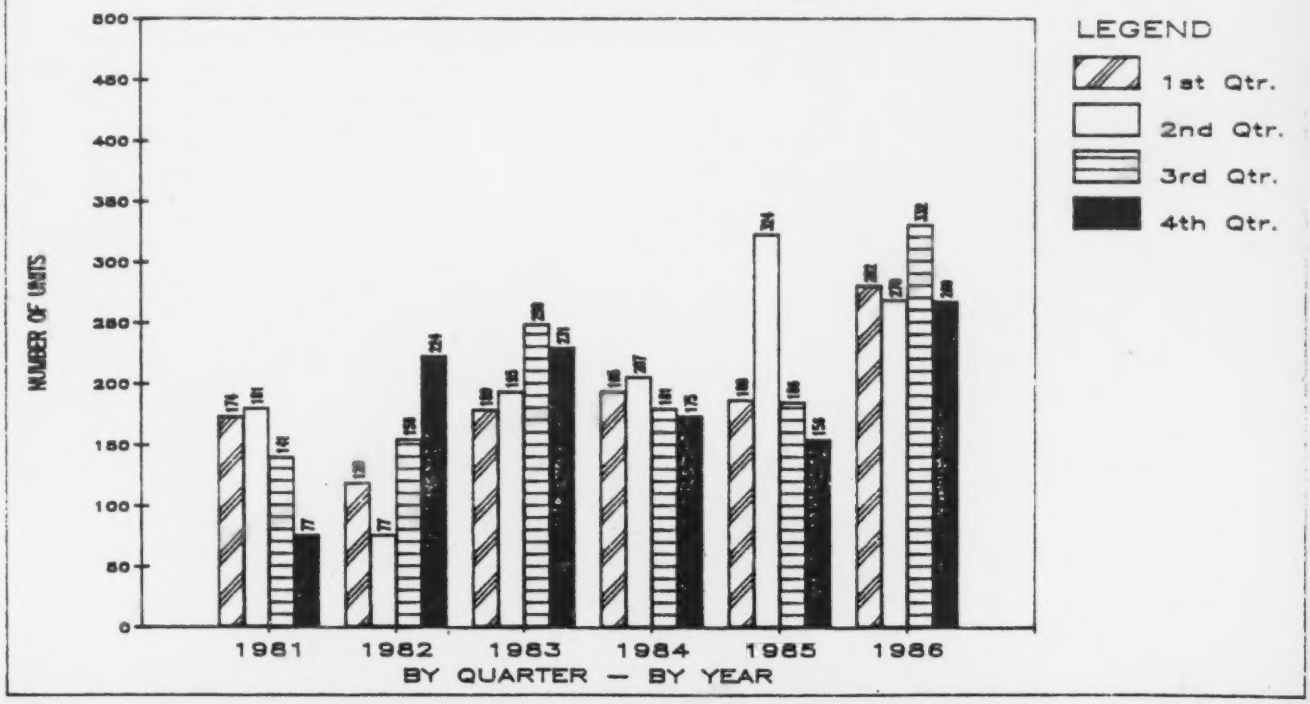
SINGLE FAMILY HOUSING PRODUCTION

KENT COUNTY BY QUARTER



SINGLE FAMILY HOUSING PRODUCTION

SUSSEX COUNTY BY QUARTER



APPENDIX B

AVERAGE BUILDERS' COST

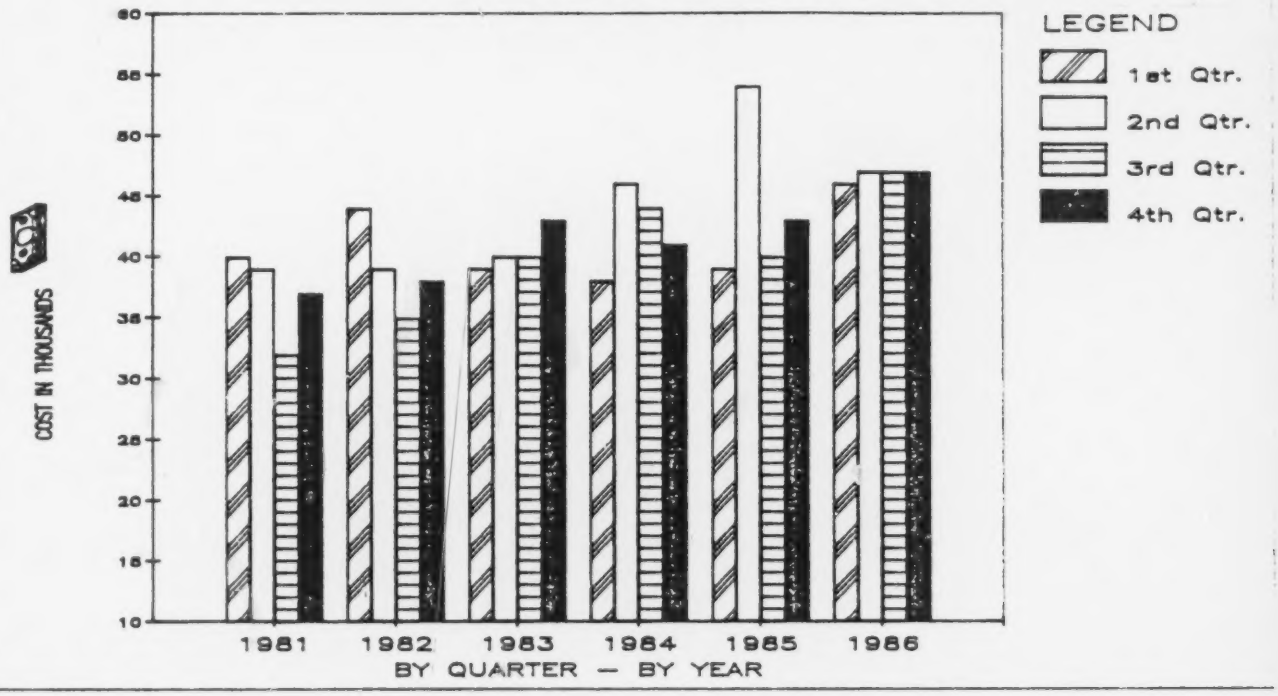
OF A SINGLE-FAMILY HOME

1980 - 1986

(BY QUARTER)

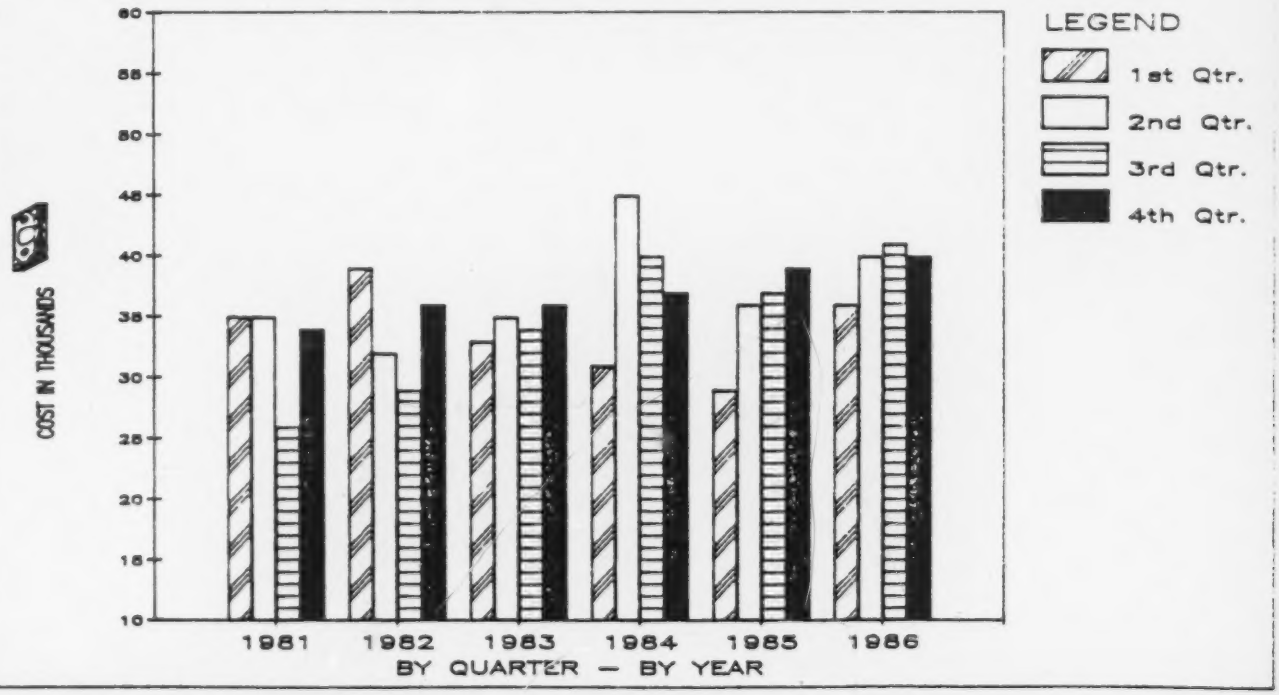
AVERAGE BUILDERS' COST FOR A SINGLE FAMILY HOME

STATEWIDE BY QUARTER



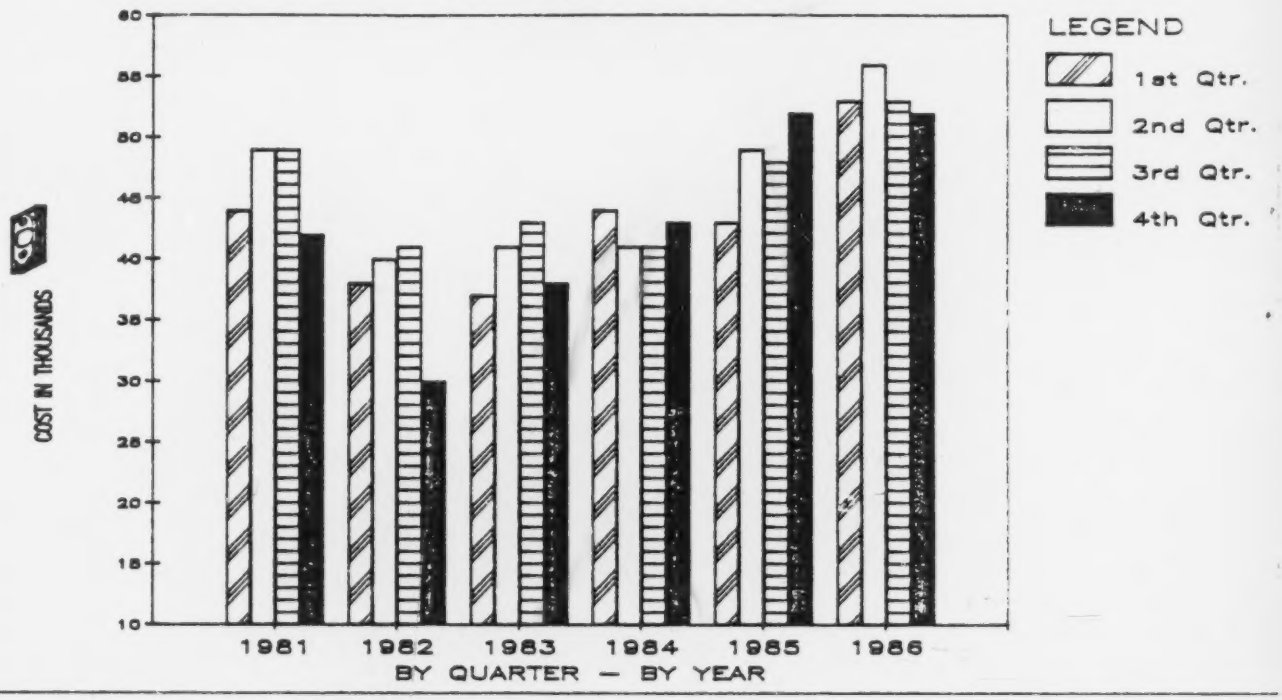
AVERAGE BUILDERS' COST FOR A SINGLE FAMILY HOME

NEW CASTLE COUNTY BY QUARTER



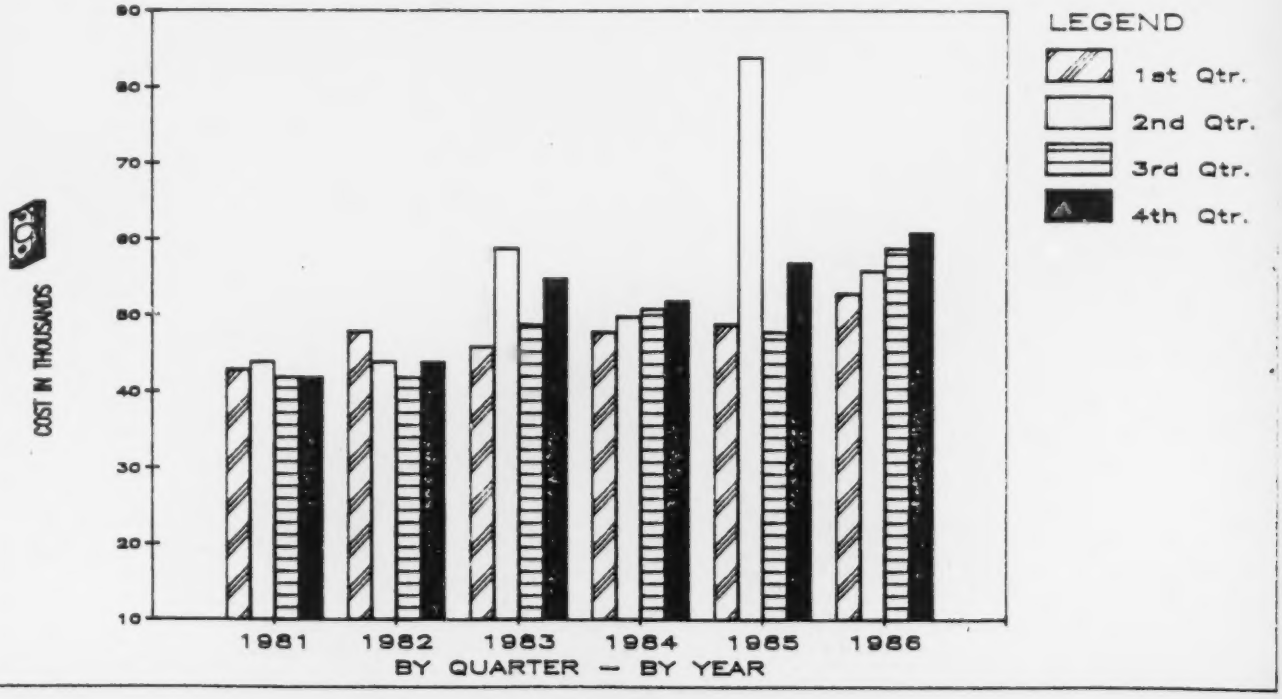
AVERAGE BUILDERS' COST FOR A SINGLE FAMILY HOME

KENT COUNTY BY QUARTER



AVERAGE BUILDERS' COST FOR A SINGLE FAMILY HOME

SUSSEX COUNTY BY QUARTER



The cooperation of local building permit offices in supplying data for this report is gratefully acknowledged.

Document #50-09-87-02-02

Printed in U.S.A.